EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fifth Meeting
Montreal, 16-20 November 2015

TEMPLATE FOR DRAFT AGREEMENTS FOR STAGE II OF HCFC PHASE-OUT
MANAGEMENT PLANS (DECISION 73/33(c))

Background

1. The first stage II of an HCFC phase-out management plan (HPMP) approved was for Mexico at the 73rd meeting. As stage I of the HPMP was still under implementation, the draft Agreement\(^1\) prepared for stage II included specific text to address potential issues identified from the overlap of two stages concurrently under implementation, *inter alia*, consumption targets, penalty clause and reporting and financial management of each stage. Although a careful analysis had been undertaken to address the identified issues, the Secretariat recognized that the draft Agreement for stage II of HPMPs could still be revised as a result of issues emerging from the review of new stage II of HPMPs and the outcomes of discussions on the criteria for funding for stage II of HPMPs and on the 20 per cent disbursement threshold by the Executive Committee.

2. Accordingly, at its 73rd meeting, the Executive Committee requested bilateral and implementing agencies to use the Agreement for stage II of the HPMP for Mexico (approved in decision 73/58) as a template for stage II of HPMPs, and requested the Secretariat to review the template Agreement for stage I of HPMPs, once discussions on criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs and the 20 per cent disbursement threshold had been completed (decision 73/33).

Revised template for the draft Agreement

3. Further to the adoption of decisions on the 20 per cent disbursement threshold required for fund disbursement (decision 74/18) and the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), the Secretariat developed a template Agreement for stage II of HPMPs contained in Annex I to the present document (for ease of reference, revisions are shown in track changes). The template is based on the Agreement used for stage II of the HPMP for Mexico, with the following revisions:

\(^{1}\) Annex II of document UNEP/OzL.Pro/ExCom/73/43.
(a) Subtitles have been added to facilitate reading;

(b) In paragraph 5, on the preconditions for fund tranche release, sub-paragraph (e) has been added for the purpose of ensuring timely closure and return of balances of previous stages in accordance to their date of completion as defined in paragraph 14 of the Agreement;

(c) In paragraph 8, on considerations for the refrigeration servicing sector, sub-paragraph (b) has been modified and sub-paragraph (c) has been added for the purpose of reflecting the latest decision 72/41 addressing this sector;

(d) In paragraph 9, on definitions of the lead and cooperating agencies, part of the text indicating specific roles and responsibilities has been moved to Appendix 6-A and 6-B on roles and responsibilities of the lead and cooperating agencies, respectively. This has been done for the purpose of clarity;

(e) In Appendix 2-A, in lines 4.1.2, 4.2.2, …, 4.n.2, the words “previously approved projects” (referring to stand-alone projects approved before stage I and no longer applicable) have been updated by the words “previous stage”;

(f) In Appendix 2-A, a footnote has been added “**Date of completion of stage I as per stage I Agreement: [Date]**”;

(g) In Appendix 4-A, paragraph 1(c) the words “implementation milestones and time of completion” have been added as part of the information to include in the tranche implementation reports and plans;

(h) In Appendix 4-A, paragraph 1(d) the text describing the quantitative information to be submitted through an online database has been deleted to allow flexibility in case of changes in the online database;

(i) In Appendix 6-A, on the role of the lead agency, text has been added to reflect decision 74/19 requesting the submission of annual progress reports and verifications in cases where the last tranche is one or more years prior to the last year covered by the Agreement;

(j) In Appendix 7-A, on the penalty clause for non-compliance with the consumption targets in the Agreement, text has been added with the purpose of capping the maximum funding reduction from the penalty to the funding level of the tranche being requested. The reason for this is that in several cases in the past the penalty clause was larger than the value of the complete stage; and

(k) Editorial adjustments have been introduced to provide more clarity, simplify the text and remove duplications.

4. The revised template was discussed during the Interagency coordinating meeting held in Montreal from 31 August to 2 September 2015. Regarding the proposed pre-condition in paragraph 5(e), the agencies expressed concern that making a future second stage tranche conditional on the financial completion of stage I could potentially put the implementation of stage II at risk. It was suggested to add some flexibility or that the condition should be linked to operational instead of financial completion. However, the Secretariat considers that there is flexibility in the application of paragraph 5(e) as the date of completion of a stage can be updated as stated in paragraph 14 of the Agreement. The Secretariat requested the agencies to send any additional comments on a revised draft circulated with some adjustments based on the discussion; however no inputs were received.
RECOMMENDATION

5. The Executive Committee may wish:

(a) To note the document on template for draft Agreements for stage II of HCFC phase-out management plans (HPMPs) contained in document UNEP/OzL.Pro/ExCom/75/76; and

(b) To approve the template for draft Agreements for stage II of HPMPs contained in Annex I to document UNEP/OzL.Pro/ExCom/75/76, as a basis for the drafting of an Agreement between a country and the Executive Committee for stage II of HPMPs.
Annex I


Purpose

1. This Agreement represents the understanding of the Government of [Country name] (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 [figure] ODP tonnes by 1 January [year] 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[s] 4.1.3 [, 4.2.3, …] (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 (HPMP) approved (“the Plan”). In accordance with sub-paragraph 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 not only provide the Funding in accordance with the Funding Approval Schedule unless 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;

   (b)(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, and.

(e) That, for the first tranche that is due on a year after the date of completion of the previous stage of the HPMP (as defined in paragraph 14 of the Agreement associated to the previous stage), all tranches from the previous stage have been completed, remaining funds have been returned to the Multilateral Fund (as established in paragraph 7 of the Agreement associated to the previous stage) and the corresponding project completion reports have been submitted to the Executive Committee.

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 sub-paragraph 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; and

(iv) Provision of funding for programmes or 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;

(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;

(c) Should the Country decide during implementation of the Agreement to introduce an alternative technology other than that proposed in the Plan, this would require approval
by the Executive Committee as part of a Tranche Implementation Plan or the revision of the approved Plan. Any submission of such a request for change in technology would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;

(d) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the guidelines policies of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), will would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;

(e) The Country commits to examining the possibility of using pre-blended hydrocarbon systems with low-global warming potential blowing agents instead of blending them in-house, for those foam enterprises covered under the Planumbrella project, should this be technically viable, economically feasible and acceptable to the enterprises; and

(f) 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 sub-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 the relevant bilateral and/or implementing agencies will take into consideration relevant actions that could minimize adverse climate impact when phasing out HCFC in the refrigeration servicing sector; and

(c) The Country would be encouraged to consider, as needed and feasible, the development of regulations and codes of practice; the adoption of standards for the safe introduction of flammable and/or toxic refrigerants; the implementation of measures to limit the import of HCFC-based equipment and to facilitate the introduction of energy-efficient and climate-friendly alternatives; and implementation of activities in the refrigeration servicing sector on training of technicians and introduction of good service practices such as the safe handling of refrigerants, containment and recovery and recycling and reuse of refrigerants rather than retrofitting.

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. [Lead agency name] has agreed to be the lead implementing agency (the “Lead IA”) [and [Cooperating agency name/names] has/have agreed to be the cooperating implementing agency/agencies (the “Cooperating IA[s]”) 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[s]] taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA[s] to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA[s] will support the Lead IA by implementing the Plan activities listed in Appendix 6-B under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA[s] are contained in Appendix 6-A and Appendix 6-B, respectively. The Lead IA and Cooperating IA[s] will reach consensus on the arrangements regarding inter-agency planning including regular coordination meetings, reporting and responsibilities under this Agreement in order to facilitate a co-ordinated implementation of the Plan. The Executive Committee agrees, in principle, to provide the Lead IA [and the Cooperating IA[s]] with the fees set out in row[s] 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 kilogram 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, [and] the Lead IA [and the Cooperating IA[s]] to facilitate implementation of this Agreement. In particular, it will provide the Lead IA [and the Cooperating IA[s]] 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 sub-paragraph 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 sub-paragraphs 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.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

<table>
<thead>
<tr>
<th>Substance</th>
<th>Annex</th>
<th>Group</th>
<th>Starting point for aggregate reductions in consumption (ODP tonnes)</th>
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<td><strong>Sub-total</strong></td>
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<td>HCFC-141b contained in imported pre-blended polyols</td>
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<td><strong>Total</strong></td>
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APPENDIX 2-A: THE TARGETS, AND FUNDING

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<td>2.4</td>
<td>Support costs for Cooperating IA (US $)</td>
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*Date of completion of stage I as per stage I Agreement.*
APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the [first/second] meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

   (a) A narrative report, with data provided by calendar year tranche, regarding describing the progress achieved since the year prior to 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 sub-paragraph 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 sub-paragraph 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 until and including the year of the planned submission of the next tranche request 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 cover the years specified in sub-paragraph 5(d) of the Agreement. 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 sub-paragraph (b) above;

   (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amended the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the Tranche Implementation Plan and any changes to the overall plan, and will cover the same time periods and activities; and

   (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year more than two one or more stages of the HPMP 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 the HPMP these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. [THIS SECTION MUST BE COMPLETED. It must provide a detailed and credible indication of how progress is to be monitored and which organizations will be responsible for the activities. Experience gained from implementing stage I of the HPMP should be taken into account, introducing the relevant updates and improvements.]

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 HPMP;

   (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 sub-paragraphs 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 . [The reporting requirements include the reporting about activities undertaken implemented by the Cooperating IA[s];

   (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;

(i)(j) Co-ordinating the activities of the Cooperating IA[s], and ensuring appropriate sequence of activities;

(j)(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[s]], the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;

(k)(l) Ensuring that disbursements made to the Country are based on the use of the indicators; and

(m) Providing assistance with policy, management and technical support when required.

(n) Reaching consensus with the Cooperating IA[s] on the any planning, coordination and reporting arrangements required regarding inter-agency planning including regular co-ordination meetings, reporting and responsibilities under this Agreement in order to facilitate the a co-ordinated implementation of the Plan.

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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

[APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES]

1. The Cooperating IA[s] 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[s], and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and

(c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.]

(d) Reaching consensus with the Lead IA on the 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 $[figure [for non-LVC the figure would be 2 times the cost-effectiveness of the project in $/ODP kg; for LVC the amount would be 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.

1.2. 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 HPMP 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 related 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.

[APPENDIX 8-A: SECTOR SPECIFIC ARRANGEMENTS]

1. Appendix 8-A is foreseen for situations where the Country and/or the Lead IA/Cooperating IA[s] wish to include in the Agreement any sector specific arrangements. This will be mostly the case for non-LVC’s. Specifically, this Appendix can be used in cases where there have been sector plans or sector phase-out projects prior to the submission of the HPMP, which are subsumed into the HPMP and where the related conditions require reflection in this Agreement. The Appendix can also be used if the Country requests to extend the provisions of Appendix 2-A by adding sector-specific funding, phase-out schedules or additional responsibilities for the Lead IA/Cooperating IA[s]. In cases where Appendix 8-A is needed, a reference should be included at an appropriate point of the Agreement. If only minor arrangements are to be included, the reference could be included in one of the Appendices, in particular Appendix 6.

2. The heading for this Appendix 8-A should be deleted if no such additional arrangements are necessary.]