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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-ninth Meeting
Montreal, 7–11 December 2026
Item 9(d) of the provisional agenda[1]

PROJECT PROPOSAL: CABO VERDE

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

Phase-down

• Kigali HFC implementation plan (stage I, first tranche)	UNEP	Individual consideration

[1] UNEP/OzL.Pro/ExCom/99/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Cabo Verde

PROJECT TITLE	AGENCY
Kigali HFC implementation plan (stage I)	UNEP (lead)

ARTICLE 7 DATA (Annex F)	Year: 2025	13.25 mt	32,031 CO_2-eq tonnes

COUNTRY PROGRAMME SECTORAL DATA (CO_2-eq tonnes) AND ACTIVITIES								Year: 2025	
	Aerosol	Foam	Fire-fighting	Air-conditioning (AC) and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
HFCs							32,031		
Planned activities agreed (Y/N)							Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING	6.34 mt	17,025 CO_2-eq tonnes

BASELINE DATA (CO_2-eq tonnes)	2020	2021	2022	Average 2020–2022
HFC annual consumption	22,797	3,171	25,108	17,025
HCFC baseline (65%)				21,765
HFC baseline				38,791

HFC CONSUMPTION ELIGIBLE FOR FUNDING (CO_2-eq tonnes)	
Starting point for sustained aggregate reductions	n/a
Previously approved HFC phase-down investment projects	No
Aggregate reductions from previously approved projects	n/a

PROJECT DATA AS AGREED			2026*	2027	2028	2029	Total
Consumption (CO_2-eq tonnes)	Montreal Protocol limits		38,791	38,791	38,791	34,912	n/a
	Maximum allowable		38,791	38,791	38,791	34,912	n/a
	Reduction from baseline (%)		0.0	0.0	0.0	10.0	n/a
Project costs requested in principle (US $)	UNEP	Project costs	67,500	0	67,500	0	135,000
		Support costs	8,775	0	8,775	0	17,550
Total amounts recommended in principle (US $)		Project costs	67,500	0	67,500	0	135,000
		Support costs	8,775	0	8,775	0	17,550
		Total funds	76,275	0	76,275	0	152,550

* Recommended for approval at the present meeting

Reduction from remaining consumption eligible for funding in stage I (CO_2-eq tonnes)	n/a

Secretariat's recommendation	Individual consideration

PROJECT DESCRIPTION

1. The present document contains the following sections:

I. Summary of the proposal as submitted

II. Background: Status of implementation of the HCFC phase-out management plan and previous HFC-related activities

III. HFC consumption overview: HFC consumption levels, trends, and consumption by sector

IV. Stage I of the Kigali HFC implementation plan, as submitted: Regulatory framework, phase-down strategy, total stage cost, and implementation plan for the first tranche

V. Secretariat's comments, including the agreed cost of activities

VI. Recommendation

I. Summary of the proposal as submitted

2. On behalf of the Government of Cabo Verde, UNEP as the designated implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), in the amount of US $135,000, plus agency support costs of US $17,550, as originally submitted.[2]

3. The implementation of stage I of the KIP will assist the Government of Cabo Verde in meeting the target of 15 per cent reduction from its HFC baseline consumption by 1 January 2029.

4. The first tranche of stage I of the KIP being requested at this meeting amounts to US $67,500, plus agency support costs of US $8,775 for UNEP, as originally submitted, for the period of January 2027 to December 2028.

II. Background

Status of implementation of the HCFC phase-out management plan

5. Table 1 presents information on the HCFC phase-out management plan (HPMP) in Cabo Verde as of August 2026.

Table 1. HPMP implementation status for Cabo Verde

Particulars	Stage I	Stage II
Meeting when HPMP was approved or updated	64th	88th
Reduction from baseline	35% by 2020	100% by 2030
Total stage cost (US $)	160,000	427,500
Date of completion (actual or planned)	31 December 2021	31 December 2031

Status of implementation of previous HFC-related activities

6. Table 2 presents an overview of activities implemented in Cabo Verde in the context of the Kigali Amendment that have been funded by the Multilateral Fund.

[2] As per the letter of 14 August 2026 from the Ministry of Environment, Climate Change and Energy of Cabo Verde to the Secretariat.

Table 2. Previously approved HFC-related activities in Cabo Verde

Approval meeting	Project title	Implementing agency	Cost (US $)	Date of completion
74th	Survey of ODS alternatives	UNEP	40,000	Aug 2017
82nd	Enabling activities for HFC phase-down	UNEP	95,000	Dec 2022

III. HFC consumption overview

HFC consumption levels

7. Cabo Verde only imports (does not produce) HFCs for use in the refrigeration and air-conditioning (RAC) servicing sector. The most consumed substances in 2025 were R-404A (53.4 per cent of total HFC consumption in CO_2-equivalent (CO_2-eq) tonnes), HFC-134a (24.3 per cent), and R-410A (22.1 per cent). Table 3 presents the country's HFC consumption as reported to the Ozone Secretariat under Article 7 of the Montreal Protocol, and the country's HFC baseline.

Table 3. 2020–2025 HFC consumption and baseline for Cabo Verde (Article 7 data)

HFC	GWP	2020	2021	2022	2023	2024	2025
Metric tonnes (mt)							
HFC-134a	1,430.0	0.20	0.23	3.22	4.67	7.22	5.44
R-404A	3,921.6	3.77	0.17	4.24	16.86	11.41	4.36
R-410A	2,087.5	2.76	0.25	1.65	3.65	8.39	3.39
Others*		1.06	1.12	0.36	11.82	23.57	0.06
Total (mt)		**7.79**	**1.77**	**9.47**	**37.00**	**50.59**	**13.25**
CO_2-eq tonnes							
HFC-134a	1,430.0	286	329	4,605	6,678	10,325	7,779
R-404A	3,921.6	14,769	676	16,628	66,118	44,745	17,098
R-410A	2,087.5	5,766	522	3,444	7,619	17,514	7,077
Others*		1,976	1,644	431	28,444	35,962	77
Total (CO_2-eq tonnes)		**22,797**	**3,171**	**25,108**	**108,860**	**108,546**	**32,031**
HFC baseline calculation (CO_2-eq tonnes)							
Average HFC consumption in 2020–2022							17,025
HCFC baseline (65%)							21,765
HFC baseline							**38,791**

* Including HFC-32, R-407A, R-407C, R-442A, R-422B, R-427A, R-449A, R-452A, and R-507A.

Country programme implementation report

8. The sectoral HFC consumption data provided by the Government of Cabo Verde in its country programme (CP) implementation report for 2025 is consistent with the data reported under Article 7 of the Montreal Protocol.

HFC consumption trends

9. HFC consumption data in Cabo Verde from 2020 to 2025 show a distinct trend: very low consumption levels from 2020 to 2022 and a significant increase in 2023 and 2024, followed by a decrease in 2025. The exceptionally low figures recorded during the earlier years can be linked to the impacts of the COVID-19 pandemic, which severely curtailed tourism-related activities and, in turn, significantly reduced the demand for servicing RAC equipment. In 2023 and 2024, the post-pandemic recovery surge drove higher refrigerant imports to meet renewed servicing demand. Although the HFC quota system was introduced in 2024, early implementation challenges contributed to Cabo Verde's non-compliance with the Kigali Amendment that year. However, the country returned to compliance in 2025, with consumption recorded below the baseline.

HFC consumption by sector

10. HFCs are only consumed for servicing RAC equipment, mainly in large commercial refrigeration (41.2 per cent in mt and 58.9 per cent in CO_2-eq tonnes), followed by residential air-conditioning (AC) (26.9 per cent in mt and 20.0 per cent in CO_2-eq tonnes), mobile air-conditioning (MAC) (20.0 per cent in mt and 12.0 per cent in CO_2-eq tonnes), and other subsectors, as estimated in tables 4 and 5.

Table 4. 2025 HFC consumption in Cabo Verde in the servicing subsectors (mt)

Sector	HFC-32	HFC-134a	R-404A	R-407C	R-410A	Others*	Total	Share of total (%)
Refrigeration								
Domestic	0.00	0.27	0.00	0.00	0.00	0.00	0.27	2.0
Commercial standalone	0.00	0.02	0.01	0.00	0.00	0.00	0.03	0.2
Commercial large	0.00	1.12	4.30	0.00	0.00	0.00	5.42	41.2
Transport	0.00	0.00	0.15	0.00	0.00	0.00	0.15	1.1
Air-conditioning								
Residential	0.78	0.00	0.00	0.00	2.76	0.00	3.54	26.9
Commercial	0.19	0.00	0.00	0.00	0.30	0.00	0.49	3.7
Chillers	0.00	0.00	0.00	0.07	0.23	0.34	0.64	4.8
Mobile	0.00	2.63	0.00	0.00	0.00	0.00	2.63	20.0
Total	**0.97**	**4.04**	**4.45**	**0.07**	**3.28**	**0.34**	**13.16**	**100.0**

* Including R-448A, R-449A, and R-452A.

Table 5. 2025 HFC consumption in Cabo Verde in the servicing subsectors (CO_2-eq tonnes)

Sector	HFC-32	HFC-134a	R-404A	R-407C	R-410A	Others*	Total	Share of total (%)
Refrigeration								
Domestic	0	383	0	0	0	0	383	1.2
Commercial standalone	0	26	28	0	0	0	54	0.2
Commercial large	0	1,607	16,849	0	0	0	18,456	58.9
Transport	0	0	581	0	0	0	581	1.9
Air-conditioning								
Residential	524	0	0	0	5,762	0	6,286	20.0
Commercial	130	0	0	0	625	0	755	2.4
Chillers	0	0	0	125	470	485	1,079	3.4
Mobile	0	3,764	0	0	0	0	3,764	12.0
Total	**654**	**5,779**	**17,459**	**125**	**6,857**	**485**	**31,359**	100.0

* Including R-448A, R-449A, and R-452A.

Refrigeration and air-conditioning servicing sector

11. Cabo Verde has an estimated 469 RAC technicians (including 50 women) and 155 workshops that consume HFCs. The country hosts seven RAC training centres located across different islands, offering both theoretical and practical programmes that lead to a Vocational Proficiency Certificate and a Vocational Studies Diploma. Women's participation in vocational training has been on the rise.

12. Under stage II of its HPMP, Cabo Verde had planned to introduce a mandatory technician certification scheme. However, implementation has been delayed due to structural changes within the Government and the national ozone unit (NOU). Despite these setbacks, progress continues: an agreement has been reached to establish two certifying centres during the second tranche of the HPMP. Additionally, agreements have been signed with two technical training colleges to integrate recovery and recycling of

HCFCs and safe handling of hydrocarbons into their curricula. To further strengthen capacity for safe and efficient RAC maintenance, twelve sets of servicing tools have been procured and distributed to four technical training colleges under HPMP implementation.

13. Cabo Verde banned the import of HCFC-based equipment, effective 1 January 2025, and reported zero HCFC consumption in both 2024 and 2025. With the complete phase-out of CFCs and almost no consumption of HCFCs, HFCs have replaced most of the demand for ODS in the RAC servicing sector.

Domestic, commercial, industrial and transport refrigeration servicing

14. The refrigeration sector in Cabo Verde is predominantly characterized by the use of R-404A in large centralized systems, although HFC-134a continues to play an important role. Based on the survey,[3] there has also been uptake of hydrocarbon refrigerants (R-600a, R-290) and R-717. According to the survey, there are approximately 110,000 units (63 per cent) of domestic refrigeration equipment (including refrigerators, freezers, and water coolers) using R-600a, alongside 3,386 units (20 per cent of total) of commercial refrigeration equipment (condensing units and centralized systems) that operate on R-744, R-717, and R-290. The significant adoption of non-HFC refrigerants is a positive indicator of technological advancement in the sector, contributing to a reduction in greenhouse gas emissions. However, HFCs remain the dominant refrigerants in the country, and alternatives are still not yet widespread, largely due to their higher cost.

Residential and commercial air-conditioning servicing

15. The AC sector in Cabo Verde is dominated by R-410A, reflecting the widespread installation of residential split-system units over the past decade, a period during which R-410A was the primary technology available on the market. There has also been significant use of HFC-32 in monobloc and split systems, as well as R-717 in chiller applications. R-290 has not yet been adopted in the AC sector.

Mobile air-conditioning servicing

16. In the MAC sector, HFC-134a is used in cars, small vans, and large vehicles, covering approximately 10,840 units. There is also some adoption of HFO-1234yf in this sector, accounting for roughly 4,000 units (27 per cent of total).

Local installation and assembly

17. Most RAC equipment in Cabo Verde is imported as complete units that have already been charged with refrigerant by the manufacturer. Therefore, very limited additional refrigerant consumption occurs during installation. As a result, this minimal refrigerant use was recorded under the servicing sector rather than under a separate installation and assembly subsector.

IV. Stage I of the Kigali HFC implementation plan as submitted

Institutional, policy and regulatory framework

18. The implementation of stage I is coordinated by the NOU, housed within the Directorate of the Environment under the Ministry of Agriculture and Environment. The NOU serves as the country's focal point for Montreal Protocol obligations and is responsible for stakeholder coordination, policy proposals, and preparing relevant reports. The NOU works with the National Ozone Committee (NOC), a multi-stakeholder body chaired by the Director of the Environment that brings together relevant Government ministries, the Tax and Customs Authority (ATCV), law enforcement, academia, the private

[3] The country conducted a national survey to collect HFC data for the years 2022 to 2025.

sector, and the RAC Association to provide oversight and guidance on regulatory measures. Further, the Ministry of Trade works closely with the NOU on matters related to the licensing system, while the National Institute of Statistics compiles official data. The Association of Professional Refrigeration Technicians of Cabo Verde represents technicians and engineers in the sector and has played a central role in training and awareness-raising, complemented by the seven national RAC training centres. Importers, individual RAC technicians, and end users are also engaged through consultations, training, and information activities.

19. Cabo Verde ratified the Kigali Amendment in October 2020. The national environmental policy is anchored in Law No. 86/IV/93 and Decree No. 14/97, with the primary legal instrument governing controlled substances being Decree No. 27/2011, which regulates the production, import, export and re-export of ODS and related equipment. In preparation for ratification of the Kigali Amendment, Decree No. 11/2019 extended the provisions of Decree No. 27/2011 to cover HFCs. Cabo Verde has had in place an operational licensing and quota system for HCFCs since 2013, and has progressively extended this system to include HFCs, with licensing introduced in 2021 and quotas in 2024. The import and export of controlled substances require prior authorization issued by the NOU, which also sets annual national quotas in consultation with the NOC. Customs clearance is managed by ATCV, which verifies licences and quotas, checks refrigerant quality, and reports import statistics to the Directorate of the Environment; ATCV migrated to the Automated System for Customs Data (ASYCUDA) in 2015. Importers are further required to submit quarterly reports through a tracking database developed under stage II of the HPMP, covering importers, distributors and servicing workshops.

20. Cabo Verde has voluntary national minimum energy performance standards (MEPS) and labelling requirements in place for RAC equipment; the MEPS are being supported under the project for additional activities to maintain energy efficiency in the refrigeration servicing sector approved in line with decision 89/6.[4] Cabo Verde is a member of the Economic Community of West African States (ECOWAS), benefiting from regional programmes supported by the European Union and the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE), which support the harmonization of safety codes, technical regulations, and MEPS for cooling and refrigeration equipment across the region.

Phase-down strategy for stage I of the Kigali HFC implementation plan

Overarching strategy

21. Cabo Verde's national HFC phase-down strategy aims to meet its Kigali Amendment commitments, ensure continued access to reliable cooling and refrigeration services, and limit emissions of substances with high global-warming potential (GWP). The KIP aims to achieve an 80 per cent reduction in HFC consumption by 2045, structured in four stages with progressive reduction steps: a 15 per cent reduction from the baseline by 2029, 30 per cent by 2035, 50 per cent by 2040, and 80 per cent by 2045.

22. Stage I of the KIP will be implemented in synergy with stage II of the HPMP to ensure complementarity and avoid duplication.

23. The KIP strategy for Cabo Verde is built on an integrated approach that prioritizes low-GWP alternatives. Its key elements combine regulatory, technical, and capacity-building measures, including the strengthening of import quotas and licensing systems, alongside a ban on the import of HFC-using equipment, supported by the training for customs and enforcement officers under the HPMP. In the RAC servicing sector, activities will focus on upgrading technician skills through training in good practices to reduce leakage, as well as recovery and recycling techniques, while promoting the safe handling of flammable alternatives through new codes and standards. The strategy also emphasizes stakeholder

[4] UNEP/OzL.Pro/ExCom/98/31 and decision 98/26.

engagement to align business plans with the phase-down, ensuring that the reduction targets are met through these coordinated actions.

Proposed reductions

24. HFC consumption is estimated to grow 5 per cent annually for the 2025–2029 period, driven primarily by economic expansion and population growth, noting that Cabo Verde reported zero HCFC consumption in 2024 and 2025. The HFC consumption forecast, Montreal Protocol control targets, and the proposed HFC consumption levels are presented in table 6 below.

Table 6. HFC consumption forecast under the unconstrained scenario, Montreal Protocol limits, and proposed HFC reductions under stage I (CO_2-eq tonnes)

	2025	2026	2027	2028	2029
HFC consumption forecast at an annual growth rate of 5%*	32,031	33,633	35,314	37,080	38,934
Montreal Protocol HFC consumption limits	38,791	38,791	38,791	38,791	34,912
HFC consumption levels proposed under the KIP	38,791	38,791	38,791	38,791	32,972
Proposed reductions from the HFC consumption baseline (%)	0	0	0	0	15

* The projection is based solely on economic and population growth, as no HFCs are expected to be phased in from HCFC replacement, noting that Cabo Verde reported zero HCFC consumption in both 2024 and 2025.

Proposed activities

25. Activities proposed for implementation in the servicing sector under stage I and in the first tranche and their cost breakdown are presented in table 7.

Table 7. Servicing sector activities and their costs in stage I and in the first tranche of stage I of the KIP for Cabo Verde, as submitted

Activity	Cost (US $)	
	Stage I	First tranche
Strengthening the regulatory framework	***71,000***	***46,000***
Adoption of the decree on HFCs: • Preparation and adoption of the decree on HFCs (US $5,000) • Two stakeholder workshops (one consultative process workshop before the adoption and one awareness-raising workshop after the adoption) (US $3,000)	8,000	6,500
Expanding and improving the HFC licensing and quota system: • Update of the system of issuance of import licences and allocation of quotas for HFCs (US $6,000) • One workshop with importers on the HFC licensing and quota system (US $1,500)	7,500	7,500
Regulatory framework: assessment of bans on the import of HFC-based equipment (possible HFC-134a in domestic refrigeration and R-404A in commercial refrigeration); prohibition on venting during servicing; mandatory leakage checks; record-keeping requirements; compulsory recovery of HFCs: • Two meetings with importers on the preparation of import bans and other regulations (US $3,000) • Market assessment study (US $4,500) • Drafting the legal acts (US $4,000) • Two awareness-raising meetings on the implementation of regulatory measures (US $3,000)	14,500	7,500

Activity	Cost (US $)	
	Stage I	First tranche
Improving the collection, systematization, and reporting of data on importers, distributors, and servicing workshops, linking with the customs database: • Upgrade and maintenance of the database (US $15,000) • One stakeholder workshop on the use of database and data reporting (US $1,500)	16,500	10,000
Preparation and dissemination of a guide on ODS and HFC legislation (includes drafting, editing, design, printing, and dissemination)	3,000	3,000
Development of technical standards and protocols for the safe use of flammable and/or toxic refrigerants in RAC equipment: • Engaging an international consultant to develop the national technical standards and protocols on the use of flammable and/or toxic substances in RAC equipment (US $10,000) • Stakeholder consultation meeting to review the draft standards (US $1,500) • Developing, publishing, and disseminating the manual on proper handling and safe practices for flammable and/or toxic refrigerants (US $7,500) • Building the capacity of RAC technicians, importers, and other key stakeholders for the enforcement of technical standards in the RAC sector (US $2,500)	21,500	11,500
Capacity-building of RAC and MAC technicians	***24,000***	***14,000***
Twenty sessions to train and certify 500 RAC technicians in good servicing practices and managing flammable refrigerants covering both HCFCs and HFCs conducted under the HPMP	0	0
Four workshops to train 120 technicians in domestic refrigeration and MAC servicing sector on good servicing practices and the safe handling of alternative refrigerants	18,000	9,000
Update of training materials to include HFCs and hydrocarbons in the RAC and MAC sectors	2,000	2,000
Preparation of promotional materials, information sessions, and presentations at secondary and technical education institutions, and a campaign to encourage the participation of women in the RAC sector	4,000	3,000
Demonstration project to facilitate the introduction of low-GWP technologies in the tourism sector	***25,000***	***0***
Organization and coordination of the demonstration project with importers and suppliers	2,000	0
Purchase, delivery, and installation of at least one pilot low-GWP, high-efficiency RAC system in a tourism facility	20,000	0
Collection of replaced units and delivery to a collection location for recovery of refrigerants and proper disposal	3,000	0
Project implementation, coordination and monitoring	***15,000***	***7,500***
Project implementation, coordination and monitoring (see paragraph 26)	15,000	7,500
Total	**135,000**	**67,500**

Project implementation, coordination and monitoring

26. The system established under the HPMP will continue to support stage I of the KIP, with the NOU and UNEP monitoring activities, reporting on progress, and working with stakeholders to phase out HFCs. The cost of those activities amounts to US $15,000 and includes staff and consultants (US $8,000), coordination meetings (US $2,000), monitoring travel (US $3,000), and miscellaneous costs (US $2,000).

Total cost of stage I of the Kigali HFC implementation plan

27. The budget for stage I has been proposed at US $135,000. The costs of activities in the refrigeration servicing sector have been proposed in line with decision 92/37.

Implementation plan for the first tranche

28. The first funding tranche of stage I of the KIP was submitted in the total amount of US $67,500, as shown in table 7 above, to be implemented between January 2027 and December 2028. Detailed information on the activities to be implemented under the first tranche, including adjustments and level of funds as agreed, are presented in table 9 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

29. Cabo Verde had reported HFC consumption for 2024 at 108,546 CO_2-eq tonnes, exceeding the party's permitted consumption level of 38,791 CO_2-eq tonnes. The Implementation Committee noted the non-compliance and urged Cabo Verde to provide a clarification on the matter and a plan of action with time-specific benchmarks to ensure the party's prompt return to compliance with its HFC obligations under the Protocol (Recommendation 76/8). The Government responded to the Ozone Secretariat on 14 September 2026.

30. Responding to the question on the high imports in 2023 and 2024, UNEP explained that the increase in consumption was likely driven by post-pandemic recovery in demand for refrigerants, particularly in the tourism and hospitality sectors. It also reflected exceptional purchases made to secure refrigerant availability for these strategic economic facilities and to mitigate the risk of supply disruption during periods of market uncertainty and supply constraints. This was compounded by weak regulatory infrastructure for HFC control when the quota system was first introduced.

31. In response to the situation identified in 2024, with the assistance of UNEP, the Government returned to compliance in 2025 through a comprehensive review of import records and quota allocations and strengthened control mechanisms on HFC imports. Stage I of the KIP has planned HFC supply and demand reduction measures and will further strengthen the licensing and quota system to closely monitor and control HFC imports.

32. The Government of Cabo Verde proposes a 15 per cent reduction in the HFC consumption baseline under stage I of the KIP, ahead of the Montreal Protocol control target. While acknowledging the Government's commitment, the Secretariat also recalled the high HFC imports in 2023 and 2024, which could generate HFC demand at a later stage. Following discussions, the Government decided to adjust the stage I target to a 10 per cent reduction from the baseline. Notwithstanding the reduced target, the Government has committed to making its best efforts to reduce HFC consumption and to ensuring compliance with the targets set out in its Agreement with the Executive Committee.

Institutional, policy and regulatory framework

HFC licensing and quota system

33. In line with decision 87/50(g), UNEP has confirmed that Cabo Verde has an established and enforceable system of licensing and quotas for monitoring HFC imports/exports in place.

34. The Secretariat discussed with UNEP the operation of the licensing and quota system for controlling HFCs. It noted that the administrative procedure for controlling HCFC imports has been extended to HFCs, and that a new decree will be developed during stage I of the KIP to establish rules on licensing, quotas, monitoring, and data reporting for HFCs. To strengthen monitoring and data consolidation, ATCV communicates regularly with the Directorate of the Environment on import statistics, while importers submit quarterly reports and enter data into a tracking system database monitored by the NOU, which includes data by importers, distributors, and servicing workshops. This system will be further improved during stage I of the KIP.

Technical and cost-related issues

35. Noting the uptake of low-GWP technologies (R-600a, R-290, R-744 and R-717) in the country, the Secretariat inquired about the timeframe of the regulatory bans on HFC-based equipment imports and installations that will be considered and established under stage I. UNEP explained that while there are some likely candidates, such as domestic refrigerators using HFC-134a and commercial refrigeration applications using R-404A, decisions will be made following an assessment of the availability of alternative technology and economic impact, as well as stakeholder consultations balancing market needs with Kigali Amendment obligations. On further discussion, it was agreed that the request for the second tranche of the KIP would include a detailed report on the development of the bans, including a specific timeline for their implementation.

36. Training for the customs and enforcement officers on HFC control has not been planned under stage I of the KIP. UNEP explained that stage II of the HPMP includes comprehensive training for customs and law enforcement officers, with a total budget of US $157,500. Those activities will also cover HFCs and will equip officers with skills covering HFCs under the KIP without additional costs.

37. Funding approved under decision 89/6 included the preparation of a pilot technical package covering the type of replacement equipment, detailed investment cost estimates, and a monitoring and verification methodology for energy savings and emission reductions,[5] while the equipment cost was included in stage I of the KIP as a complementary component to this demonstration project. The possible candidate technologies include AC units of up to 12 kW using HFC-32 or refrigerators of 400–600 litres using R-600a. The Secretariat noted that the country has already adopted HFC-32 in the AC sector and R-600a in domestic refrigeration, and that there has already been uptake of these alternatives. After discussion, it was agreed that the funding of US $25,000 would be used to provide the following training equipment for three training centres in the MAC sector: automotive AC servicing stations with automated refrigerant recovery, recycling, and recharging units; leak detectors; and safety gear for handling flammable refrigerant. In light of the above change, the Government decided that financing for the equipment cost in the pilot project will be sought from sources outside the Multilateral Fund, or, where possible, through the submission of a pilot project aimed at maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the context of the HFC phase-down under decision 91/65.

Total project cost

38. At a total cost of US $135,000, stage I of the KIP for Cabo Verde will result in a reduction of 3,879 CO_2-eq tonnes from the country's HFC consumption eligible for funding. A summary of agreed costs is shown in table 8.

[5] Paragraph 15(a) of document UNEP/OzL.Pro/ExCom/98/31.

Table 8. Summary of activities and costs in stage I of the KIP for Cabo Verde, as agreed

Activity	Cost (US $)	
	As submitted	As agreed
Strengthening the regulatory framework	71,000	71,000
Capacity-building of RAC and MAC technicians	24,000	24,000
Provision of equipment to three training centres in the MAC sector	0	25,000
Demonstration project to facilitate the introduction of low-GWP technologies in the tourism sector	25,000	0
Project implementation, coordination and monitoring	15,000	15,000
Total	**135,000**	**135,000**

39. Stage I of the KIP will be implemented in two tranches.

Implementation plan for the first tranche of the Kigali HFC implementation plan

40. The implementation plan for the first tranche was agreed as submitted, at a total cost of US $67,500. The activity breakdown for the first tranche is shown in table 9.

Table 9. Servicing sector activities and their costs in the first tranche of stage I of the KIP for Cabo Verde, as agreed

Activity	Cost (US $)
Strengthening the regulatory framework	***46,000***
Adoption of the decree on HFCs: • Preparation and adoption of the decree on HFCs (US $5,000) • One stakeholder workshop (consultative process workshop before the adoption) (US $1,500)	6,500
Expanding and improving the HFC licensing and quota system: • Update of the system of issuance of import licences and allocation of quotas for HFCs (US $6,000) • One workshop with importers on the HFC licensing and quota system (US $1,500)	7,500
Consideration of bans on the import and restrictions of the installation of HFC-based equipment and implementing the regulatory measures: • Two meetings with importers on the preparation of import bans and other regulations (US $3,000) • Market assessment study (US $4,500)	7,500
Improving the collection, systematization, and reporting of data: • Upgrade and maintenance of the database (US $10,000)	10,000
Preparation and dissemination of a guide on ODS and HFC legislation (includes drafting, editing, design, printing, and dissemination)	3,000
Development of technical standards and protocols for the safe use of flammable and/or toxic refrigerants in RAC equipment: • Engaging an international consultant to develop the national technical standards and protocols on the use of flammable and/or toxic substances in RAC equipment (US $10,000) • Stakeholder consultation meeting to review the draft standards (US $1,500)	11,500
Capacity-building for RAC and MAC technicians	***14,000***
Two workshops to train 60 domestic refrigeration and MAC servicing technicians on good servicing practices and the safe handling of alternative refrigerants	9,000
Update of training materials to include HFCs and hydrocarbons in the RAC and MAC sectors	2,000
Implementation of a targeted campaign to encourage the participation of women in the RAC sector	3,000

Activity	Cost (US $)
Project implementation, coordination and monitoring	***7,500***
Staff and consultants (US $4,000), coordination meetings (US $1,000), monitoring travel (US $1,500), and miscellaneous costs (US $1,000)	7,500
Total	**67,500**

Co-financing

41. Co-financing from the Government of Cabo Verde is mainly provided through in-kind contributions, including office space, local temporary staff to assist with meetings and workshops, transport organization for participants, and coordination and management support.

2026–2028 business plan of the Multilateral Fund

42. UNEP is requesting US $135,000, plus agency support costs, for the implementation of stage I of the KIP for Cabo Verde. The total value of US $152,550, including agency support costs, requested for the period of 2026–2028, is US $76,275 above the amount in the business plan.

Gender policy implementation

43. In line with decisions 84/92, 90/48 and 92/40, the Government of Cabo Verde has incorporated the policy into the project preparation and formulation for stage I of the KIP. Stage I of the KIP includes a targeted campaign to encourage young women to pursue careers in the RAC profession, building on efforts already under way through stage II of the HPMP, where 30 per cent of customs training participants and 13 per cent of RAC technician training participants are women. A number of activities have also been integrated into the project activities to address equality between women and men and women's empowerment, including the collection and monitoring of disaggregated data, the involvement of a focal point on women's participation in stakeholder consultations, the integration of content responsive to women's needs into training and information materials, and ensuring that certification scheme planning adequately addresses the participation of female RAC technicians.

Sustainability of the HFC phase-down and assessment of risks

44. The implementation of the KIP faces several risks that could affect its success and the sustainability of its achievements. These include political instability leading to reduced national commitment to HFC phase-down, insufficient legislative and regulatory capacity, and inadequate project management and financial capacity. Other risks involve stakeholders not attaching sufficient importance or commitment to KIP activities and higher-than-expected HFC consumption growth requiring earlier and larger reductions than can be achieved. Additionally, the import control and enforcement mechanism may be unable to respond to HFC phase-down challenges, high-GWP technologies may proliferate, and there may be limitations on the availability, acceptance, and affordability of low-GWP alternatives, along with slow market introduction of alternative technologies.

45. To address these risks, several mitigation measures are planned. The NOU would use its established network and access to high-ranking decision makers to advocate continued prioritization of environmental and KIP-related matters, while UNEP would engage with the United Nations Country Team of Cabo Verde to closely monitor political challenges. The NOU would reinforce liaison with other Government Ministries to ensure the regulatory framework is enacted without delays with the assistance of UNEP. Stakeholder collaboration would be strengthened through regular meetings and consultations, with commitment requested early in the process. The Government will strengthen quota control on HFC imports if HFC growth exceeds expectations, and training of customs and enforcement authorities under the HPMP would build capacity, with possible reallocation of funds to strengthen import controls. Import limits or bans on targeted high-volume sectors would be implemented, with timing potentially advanced, and importers

would be encouraged to acquire alternative technologies while end users are made aware of the advantages of shifting to new technologies.

46. Sustainability will be closely monitored and reported by the project monitoring and coordination team. The NOU will carefully set the quota and, with support from customs and enforcement authorities, closely monitor imports and analyse the database of controlled substances to ensure that consumption levels remain below the established targets.

Impact on the climate

47. The activities proposed, including efforts to promote alternatives with low GWP, strengthen the HFC regulatory system, and train technicians to reduce servicing leakages, indicate that the implementation of stage I of the KIP will reduce refrigerant emissions in the atmosphere, resulting in climate benefits. A calculation of the impact on the climate of the activities in the KIP indicates that by 2029, Cabo Verde will have reduced its HFC emissions by approximately 3,879 CO_2-eq tonnes, calculated as the difference between the HFC baseline for compliance and the 2029 target, assuming that all consumed HFCs would have eventually been emitted.

Draft Agreement

48. A draft Agreement between the Government of Cabo Verde and the Executive Committee for stage I of the KIP is contained in annex I to the present document.

Coordination of activities in the servicing sector under HCFC phase-out and HFC phase-down plans

49. The HPMP and KIP will be simultaneously implemented until 2030. Synergetic actions between them were balanced to ensure complementarity and avoid overlaps and duplication of efforts. The previously established infrastructure will be used, and new elements included, based on the lessons learned from previous activities. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

50. The Executive Committee may wish to consider:

(a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for Cabo Verde for the period 2026–2029 to reduce HFC consumption by at least 10.0 per cent of the country's baseline, in the amount of US $135,000, plus agency support costs of US $17,550, for UNEP;

(b) Approving:

(i) The draft Agreement between the Government of Cabo Verde and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex I to the present document; and

(ii) The first tranche of stage I of the KIP for Cabo Verde and the corresponding tranche implementation plan, in the amount of US $67,500, plus agency support costs of US $8,775, for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF CABO VERDE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROFLUOROCARBONS IN ACCORDANCE WITH STAGE I OF THE KIGALI HFC IMPLEMENTATION PLAN

(Period: 2026–2029)

Purpose

1. This Agreement represents the understanding of the Government of Cabo Verde ("the Country") and the Executive Committee with respect to the reduction of controlled use of Annex F substances set out in Appendix 1-A ("The Substances") to a sustained level of 34,912 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F 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 Annex F 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 Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

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 stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances 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 10 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 accordance with 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 accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval 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 approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(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 10 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 that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the 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 on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into 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.

8. Specific attention will be paid to the execution of activities in the refrigeration servicing sector included in the Plan, in particular that the Country may use the flexibility available under this Agreement to address specific needs that might arise during project implementation.

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") in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead 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 the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F 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 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 CO_2-eq 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 and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead 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), and 1(d) 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 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 of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO_2-eq tonnes)
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	10	n/a
		CO_2-eq tonnes	38,791	38,791	38,791	34,912	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	10.0	n/a
		CO_2-eq tonnes	38,791	38,791	38,791	34,912	n/a
2.1	Lead IA (UNEP) agreed funding (US $)		67,500	0	67,500	0	135,000
2.2	Support costs for Lead IA (US $)		8,775	0	8,775	0	17,550
3.1	Total agreed funding (US $)		67,500	0	67,500	0	135,000
3.2	Total support costs (US $)		8,775	0	8,775	0	17,550
3.3	Total agreed costs (US $)		76,275	0	76,275	0	152,550

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 THE TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of four 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-down of Annex F substances, how the different activities contribute to it, and how they relate to each other, including, where applicable, activities related to energy efficiency approved in the context of HFC phase-down pursuant to decision 91/65. The report should include the amount of Annex F substances consumption reduced as a direct result of the implementation of activities, by substance, the alternative technology used and the related phase in of alternatives, to allow the Secretariat to inform the Executive Committee on the resulting change in climate relevant emissions. The report should also include quantitative information on the activities implemented and further highlight the 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, use of flexibility for the 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 on the Plan's results and the consumption of Annex F substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification of consumption data must be provided with each tranche request, covering all relevant years for which a verification report has not yet been acknowledged by the Committee, as specified in subparagraph 5(a) of the Agreement;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche including quantitative information, 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 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 1(a) above; and

(d) An Executive Summary of about five paragraphs, summarizing the information contained in subparagraphs 1(a) to 1(c) above.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (NOU), under the Ministry of Agriculture and Environment, is responsible for monitoring the progress of implementation of activities in the Plan.

2. The monitoring will be conducted during the implementation of the Plan to ensure efficient and effective implementation; overall project coordination; stakeholder engagement and coordination; smooth implementation of activities planned under various tranches; delivery of trainings and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.

3. The Government of Cabo Verde will be responsible for the sustainability of consumption reduction targets achieved through the Agreement.

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 the 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 are reflected in the updates to the overall Plan and in the future Tranche Implementation Plans, consistent with subparagraph 1(c) of Appendix 4-A;

(e) Fulfilling the reporting requirements of the Tranche Implementation Reports and Plans and of the overall Plan as specified in Appendix 4-A for submission to the Executive Committee;

(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 HFC consumption targets had been met;

(g) Ensuring that appropriate independent technical experts carry out the technical reviews;

(h) Carrying out the required supervision missions;

(i) Ensuring the presence of an operating mechanism to allow for an effective and transparent implementation of the Tranche Implementation Plan and accurate data reporting;

(j) 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, the allocation of the reductions to the different budget items and to the funding of the Lead IA;

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

(l) Providing assistance with the policy, management and technical support when required; and

(m) 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 of the consumption of Annex F substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY WITH THE TARGETS IN THE AGREEMENT

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $7.00 per CO_2-eq tonne 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. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently confiscated, destroyed, exported, or returned to the country of origin.

Annex II

SIMULTANEOUS IMPLEMENTATION OF THE HCFC PHASE-OUT MANAGEMENT PLAN AND THE KIGALI HFC IMPLEMENTATION PLAN IN CABO VERDE

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
Regulatory framework	Banning the import of HCFCs as of January 2030 except for a servicing tail; establishing mandatory reporting by importers on the annual amount of HCFCs before obtaining their quota for the following year as of January 2023; banning HCFC-based equipment imports as of January 2025; and banning of flushing with HCFCs as of January 2023	0			0
			Adoption of the decree on HFCs	8,000	8,000
			Expanding and improving the licensing and quota system	7,500	7,500
			Consideration of bans on import and restrictions on installation of HFC-based equipment, as well as further regulatory framework for the HFC phase-down	14,500	14,500
			Improving the collection, systematization and reporting of data	16,500	16,500
			Preparation and dissemination of the guide on ODS and HFC legislation	3,000	3,000
			Development of standards and protocols on the use of flammable and/or toxic substances in RAC equipment	21,500	21,500
Capacity-building of RAC and MAC technicians	Establishing a certification scheme for RAC technicians	60,000			60,000

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
	Conducting 20 sessions to train and certify 500 RAC technicians in good servicing practices and managing flammable refrigerants	20,000			20,000
	Assessment of HCFC-based installed equipment for its potential replacement by RAC equipment based on low-GWP refrigerants	60,000			60,000
	Raising public awareness through advertisements on local media and workshops for end-users informing them on zero/low-GWP technology and discouraging the use of HFC-based technology	30,000			30,000
			Training for RAC technicians specialized in MAC and domestic refrigeration on good servicing practices, including update of training materials	20,000	20,000
			Preparation of media to present to educational institutes, and a campaign to support the participation of women in RAC	4,000	4,000
Capacity-building of customs and enforcement officers	Facilitating three inter-island dialogues to exchange information and develop common procedures for the identification/prevention of potential illegal trade	10,000			10,000
	Training sessions for 500 customs officers and other law enforcement agents; updating ODS control procedures, issuing circulars, technical notes and other administrative measures, and inspection visits; printing the relevant OzonAction publications and information tools	117,500			117,500
	Procurement of five refrigerant identifiers and spare parts	30,000			30,000

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
Provision of toolkits and equipment to the servicing sector	Procurement of 20 sets of tools to be distributed in technical colleges and servicing workshops	40,000	Provision of training equipment for three MAC training centres: automotive AC servicing stations; leak detectors; and safety gear for handling flammable refrigerant	25,000	65,000
	Signing an agreement with two additional vocational training centres to include recovery and recycling of HCFCs and handling of HCs into their curricula	10,000			10,000
Coordination and monitoring	Coordination, monitoring and evaluation	50,000	Coordination, monitoring and evaluation	15,000	65,000
Total	**-**	**427,500**	**-**	**135,000**	**562,500**
Percentage of total (%)	**-**	**76**	**-**	**24**	**100**