UNITED
NATIONS

EP

United Nations
Environment
Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/97/81
27 October 2025

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1–5 December 2025
Item 9(c) of the provisional agenda[1]

PROJECT PROPOSAL: TURKMENISTAN

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

Phase-down

• Kigali HFC implementation plan (stage I, second tranche)	UNIDO	Blanket approval

[1] UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Turkmenistan

PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
Kigali HFC implementation plan (stage I)	UNIDO (lead)	93rd	10% phase-out by 2029

LATEST ARTICLE 7 DATA (Annex F)	Year: 2024	183.36 mt	352,131 CO_2-eq tonnes

LATEST COUNTRY PROGRAMME SECTORAL DATA (CO_2-eq tonnes)									
	Aerosol	Foam	Fire-fighting	Air-conditioning and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
HFCs							352,131		

CONSUMPTION DATA (CO_2-eq tonnes)			
Baseline:	597,121	Starting point for sustained aggregate reductions:	n/a
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	n/a	Remaining:	n/a

ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNIDO	HFC phase-out (mt)	0.0	13.89	0.00	13.89
	Funding (US $)	0	159,330	0	159,330

PROJECT DATA			2023	2024	2025	2026*	2027 2028	2029	Total
Consumption (CO_2-eq tonnes)	Montreal Protocol limits		n/a	597,121	597,121	597,121	597,121	537,409	n/a
	Maximum allowable		n/a	597,121	597,121	597,121	597,121	537,409	n/a
	Reduction from baseline (%)		n/a	0	0	0	0	10.0	n/a
Amounts recommended in principle (US $)	UNIDO	Project costs	116,000	0	0	141,000	0	68,000	325,000
		Support costs	15,080	0	0	18,330	0	8,840	42,250
Funds approved by ExCom (US $)	Project costs		116,000						116,000
	Support costs		15,080						15,080
Total funds recommended for approval at this meeting (US $)	Project costs				141,000				141,000
	Support costs				18,330				18,330

* Recommended for approval at the present meeting

Secretariat's recommendation	Blanket approval

PROJECT DESCRIPTION

1. On behalf of the Government of Turkmenistan, UNIDO as the designated implementing agency has submitted a request for funding for the second tranche of stage I of the Kigali HFC implementation plan (KIP), in the amount of US $141,000, plus agency support costs of US $18,330.[2] The submission includes a progress report on the implementation of the first tranche and the tranche implementation plan for 2026 to 2028.

Report on HFC consumption

2. The Government of Turkmenistan reported a consumption of 352,131 CO_2-equivalent (CO_2-eq) tonnes of HFCs in 2024, which is 41 per cent below the country's HFC baseline for compliance. The 2020-2024 HFC consumption is shown in table 1.

Table 1. HFC consumption (2020–2024 Article 7 data) and baseline in Turkmenistan

HFC	GWP	2020	2021	2022	2023	2024
Metric tonnes (mt)						
HFC-32	675	0.07	0.07	1.34	1.05	0
HFC-134a	1,430	186.17	139.39	95.40	182.58	116.80
R-404A	3,921.6	15.47	38.82	13.90	47.27	26.04
R-407C	1,773.85	35.22	17.06	8.90	18.08	5.09
R-410A	2,087.5	71.85	61.44	22.97	41.30	35.43
R-422D	2,728.95	16.95	0	0	2.26	0
Others*		0.15	0.06	0.57	0.23	0
Total (mt)		**325.88**	**256.84**	**143.08**	**292.77**	**183.36**
CO_2-eq tonnes						
HFC-32	675	47	47	905	709	0
HFC-134a	1,430	266,223	199,328	136,422	261,089	167,024
R-404A	3,921.6	60,667	152,237	54,510	185,374	102,118
R-407C	1,773.85	62,475	30,262	15,787	32,071	9,029
R-410A	2,087.5	149,987	128,256	47,950	86,214	73,960
R-422D	2,728.95	46,256	0	0	6,167	0
Others*		598	126	1,219	485	0
Total (CO_2-eq tonnes)		**586,253**	**510,256**	**256,793**	**572,109**	**352,131**
HFC baseline calculation (CO_2-eq tonnes)						
HFC average consumption in 2020–2022						451,100
HCFC baseline (65%)						146,021
HFC baseline						**597,121**

* Including R-407A, R-427A, and R-507A

3. Since 2020, HFC consumption in Turkmenistan has remained below the baseline. The construction of a new city, "Arkadag", required the installation of household, semi-industrial, and industrial refrigeration and air-conditioning (RAC) systems, with HFC imports falling sharply in 2022 after construction of the city ceased, *inter alia* due to the economic depression following the pandemic. While an upward trend was observed in 2023, potentially due to the upcoming freeze, national consumption remained below the HFC baseline. In 2024, HFC import quotas were introduced and consumption decreased.

Country programme implementation report

4. The sectoral HFC consumption data provided by the Government of Turkmenistan in its country programme (CP) implementation report for 2024 is consistent with the data reported under Article 7 of the Montreal Protocol.

[2] As per the letter of 22 September 2025 from the Ministry of Environmental Protection of Turkmenistan to UNIDO.

Progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan

Legal framework

5. The Ministry of Environmental Protection (MEP) is the authority responsible for Montreal Protocol-related activities in the country, including collecting and reporting data on the consumption of controlled substances, allocating quotas and issuing import permits through the national ozone unit (NOU) and with the support of the State Ecological Control Service. Turkmenistan has an operational HFC import licensing system, established in 2020, and a quota system established in 2024. One-time HFC import permits are issued per shipment and in metric tonnes only, corresponding to the quota allocated in CO_2-eq tonnes. Importers have the flexibility to decide the amount and type of refrigerants imported, as long as they are within their maximum quota assignment

6. The following activities have been implemented in the servicing sector under the first tranche:

(a) *Policy development to strengthen the country's regulatory framework and control mechanisms:* Local and international legislation on substances controlled under the Montreal Protocol was reviewed by experts; a national plan, national project, and regulatory acts for HFC phase-down were drafted, including updates to the Law on the Protection of the Ozone Layer, introduction of energy-efficient refrigeration equipment, and development of a system for the recovery, recycling, reclamation and destruction of ozone-depleting substances (ODSs) and HFCs; and key stakeholders from the public and private sectors have held meetings with international experts to discuss HFC phase-down, energy efficiency, and alternative technologies in the RAC and heat-pump sectors;

(b) *Customs training and prevention of illegal trade in HFCs*: Curriculum, manual, and presentations for the customs' training programme were updated and 20 new customs and enforcement officers received training on the monitoring, trafficking prevention, and revised legislation regarding controlled substances; and

(c) *Training of technicians on the safe handling, good practices, and safety in respect of alternatives, including training equipment:* A full training curriculum was developed on the safe handling, best practices, and safety procedures for working with refrigerants with low global-warming potential (GWP), handling high-pressure vessels and electrical safety; and training and certification of 12 RAC trainers and technicians (including one woman) took place at an international training centre, with participants visiting industrial facilities, large retail stores and distribution centres working with low-GWP refrigerants.

Project implementation and monitoring

7. The NOU, under the MEP, is responsible for monitoring and implementing all activities under the KIP project, reporting on progress, and working with stakeholders. Of the US $11,000 approved for project monitoring activities under the first tranche, US $9,000 was disbursed for international and national consultants and US $2,000 was spent on consultation meetings and other expenses.

Level of fund disbursement

8. As of October 2025, the total of US $116,000 approved so far had been disbursed.

Implementation plan for the second tranche of stage I of the Kigali HFC implementation plan

9. UNIDO will implement the following activities between January 2026 and December 2028:

(a) *Customs training and prevention of illegal trade in HFCs:* Training sessions on substances controlled under the Montreal Protocol and related legislation held for a total of 60 trainees (US $5,000);

(b) *Training of technicians on the safe handling, good practices and safety in respect of alternatives, including training equipment:* At least four experienced technicians will be trained and certified as trainers at an international training centre (US $16,000); and 50 technicians will receive training on handling low-GWP refrigerants and refrigerant reclamation (US $90,000) (total of US $106,000);

(c) *Awareness workshop/seminar in the RAC sector:* A seminar/workshop will be held for 20 women to facilitate their access to opportunities and training and to strengthen their overall participation in the RAC sector (US $3,500);

(d) *Servicing tools for refrigeration systems:* Tools[3] for reducing refrigerant leakage, working with alternatives and increasing the energy efficiency of refrigeration systems will be provided to leading servicing enterprises in the country (US $15,000); and

(e) *Project implementation, coordination and monitoring:* Fees for international and national consultants (US $9,000), travel (US $1,500), consultation meetings and other expenses (US $1,000) (total of US $11,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HFC consumption and verification

10. The Secretariat notes decision 93/75(b)[4] since Turkmenistan is a party listed in annex to decision XXXV/16. The Secretariat further notes that the country's consumption in 2024 was compliant with Montreal Protocol control limits, that import quotas issued in 2025 are up to 597,121 CO_2-eq tonnes, which is the calculated baseline, and that the Government is continuing to make every effort to meet the control limits.

11. Since Turkmenistan's second tranche was submitted in 2025 instead of 2026 as planned, the verification report was not submitted. The Secretariat notes that Turkmenistan, which is a low-volume-consuming (LVC) country, has a third tranche scheduled for 2029 and may not require a verification report for their second tranche since, as per decision 94/59, the final funding tranche request would be accompanied by a verification report. UNIDO has requested funding for the verification report for stage I of the KIP for Turkmenistan[5] as per decision 96/22; however, in light of the early submission of the second tranche and since the country is listed under decision XXXV/16, it may be practical to begin

[3] Vacuum pumps, cylinders, recovery units, leak detectors, hand tools, safety gear and electrical diagnostic tools.
[4] To note that, if the HFC consumption level for Turkmenistan in any of the years 2024 to 2025 was above the Montreal Protocol control limits or the maximum allowable consumption in the future Agreement between the Government of Turkmenistan and the Executive Committee, on the understanding that Government of Turkmenistan would continue to make every effort to meet those control limits, the Secretariat would inform and seek guidance from the Executive Committee on the procedure to follow in light of decision XXXV/16.
[5] UNEP/OzL.Pro/ExCom/97/32

verification activities prior to 2026 instead of requesting verification report funding in 2028 (one year before the final tranche is scheduled).

<u>Progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan</u>

Legal framework

12. The Government of Turkmenistan has issued HFC import quotas for 2025 at a level of 597,121 CO_2-eq tonnes, in accordance with the Montreal Protocol control target.

Refrigeration servicing sector

13. The Secretariat notes that the overall implementation of activities planned under the first tranche is progressing well and ahead of schedule. Most notably, a draft new edition of Turkmenistan's Law on the Protection of the Ozone Layer has brought national legislation in line with international obligations under the Montreal Protocol and the Kigali Amendment and clarified definitions, procedures, and responsibilities, making law enforcement more transparent and effective. The updated Law strengthens control measures including record-keeping, monitoring and reporting, introduces new prohibitions such as a ban on disposal without recovery, and expands the powers of relevant authorities. The draft Law also creates incentives for transitioning to safe and environmentally friendly technologies and facilitates access to international project financing.

14. While the target for the training of customs officers was not met under the first tranche (20 out of the planned 40 officers were trained), UNIDO confirmed that the remaining 20 officers would be trained under the upcoming tranche, in addition to the planned training of 40 officers, for a total of 60 officers trained. The total overall number of officers trained under stage I will remain at 100.

15. Upon inquiry, UNIDO provided an indicative list of servicing tools for refrigeration systems, which will be finalized based on the needs of the tender and once the final beneficiaries are identified.

Pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities)

16. Activities implemented under the energy efficiency pilot project approved at the 93rd meeting pursuant to decision 91/65 include the establishment of an inter-ministerial working group;[6] introduction of energy-efficiency standards and labelling schemes; and a gradual ban on the import of low-energy-efficiency class equipment. The National Plan for energy efficiency in the cooling, air-conditioning, and heat pump sector was drafted to establish the legislative, regulatory, and technological prerequisites for introducing minimum energy performance standards and energy-efficiency labels; to improve the energy efficiency of RAC equipment; to reduce energy consumption and greenhouse gas emissions; and to build institutional and educational capacity to ensure a sustainable transition to low-GWP and energy-efficient technologies. The project is expected to be operationally completed by 31 December 2026.

<u>Gender policy implementation</u>

17. Under the first tranche, data was collected to monitor women's participation in training activities, and specific efforts were undertaken to encourage and increase their involvement. Implementation of the gender policy and data collection will continue under the second tranche, and UNIDO and the NOU aim to improve the baseline gender ratio by the end of stage I implementation through encouraging interested women's participation in technical activities and ensuring that women and men have equal access. Under

[6] Comprised of the MEP, the Ministry of Energy, Main Service Turkmenstandartlary, State Concern Turkmenkhimiya, the Ministry of Construction and Architecture, Main Customs Service, and others

the second tranche, a workshop seminar in the RAC sector will be conducted and the NOU will also work with organizations to raise awareness on the environmental impact of ODSs and fluorinated gases.

Draft Agreement of stage I of the Kigali HFC implementation plan

18. In approving stage I of the KIP at the 93rd meeting, the Executive Committtee requested the Government of Turkmenistan, UNIDO, and the Secretariat to finalize the draft Agreement between the Government of Turkmenistan and the Executive Committee for stage I of the KIP, and to submit it to a future meeting once the KIP Agreement template had been approved by the Executive Committee.[7] Upon approval of the KIP Agreement template at the 95th meeting,[8] a draft Agreement between the Government of Turkmenistan and the Executive Committee for stage I of the KIP has been prepared, as contained in annex I to the present document. The Agreement has been revised to reflect the submission of the second tranche in 2025 instead of 2026.

Sustainability of the HFC phase-out and assessment of risks

19. Turkmenistan will ensure long-term sustainability of the HFC phase-down through a combination of continuously applied import quotas, strengthened legislation, rigorous enforcement by customs and environmental authorities, and enhanced monitoring tools. One potential risk is the limited capacity of national institutions and their frequently problematic coordination with the private sector, calling for sustained capacity-building and engagement efforts, including an ongoing policy dialogue that emphasizes the criticality of HFC phase-down and its potential to increase productivity, generate revenue, and decrease climate vulnerability. General safety concerns regarding the flammable alternatives to HFCs can be addressed by relaxing regulations on mildly flammable refrigerants and formulating guidelines for the safe design and use of RAC equipment charged with alternative refrigerants; while the risk of physical injury to inexperienced RAC technicians working with low-GWP refrigerants can be mitigated by providing technicians with theoretical and practical training on the safe handling of flammable refrigerants.

20. Long-term sustainability will be achieved through broad capacity-building efforts to create a critical mass of efficient, trained and experienced RAC specialists throughout the country, the involvement of and partnerships with key public stakeholders, and relevant changes to the legislation that will facilitate transition to low-GWP technologies, including the reclamation and recycling of HFCs.

Conclusion

21. Turkmenistan is in compliance with the targets of the Montreal Protocol and those set in its Agreement with the Executive Committee. The country’s HFC consumption in 2024 was 41 per cent below its baseline for compliance, and significant progress has been achieved during the implementation of the first tranche of the KIP, with planned activities completed ahead of schedule and the second tranche being accordingly requested one year earlier than planned. The disbursement of funds approved in the previous tranche is 100 per cent. A draft Agreement between the Government of Turkmenistan and the Executive Committee for stage I of the KIP has been prepared based on the KIP Agreement template approved at the 95th meeting.

[7] Decision 93/70(d)
[8] Decision 95/90

RECOMMENDATION

22. The Fund Secretariat recommends that the Executive Committee:

(a) Note the progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan (KIP) for Turkmenistan; and

(b) Approve the draft Agreement between the Government of Turkmenistan 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.

23. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the KIP and the corresponding 2026–2028 tranche implementation plan for Turkmenistan at the funding level shown in the table below.

	Project title	Project funding (US $)	Support costs (US $)	Implementing agency
(a)	Kigali HFC implementation plan (stage I, second tranche)	141,000	18,330	UNIDO

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF TURKMENISTAN 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: 2023–2029)

Purpose

1. This Agreement represents the understanding of the Government of Turkmenistan ("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 537,409 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. UNIDO 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 monitoring and evaluation work programmes 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
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2023	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO_2-eq tonnes	n/a	597,121	597,121	597,121	597,121	597,121	537,409	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO_2-eq tonnes	n/a	597,121	597,121	597,121	597,121	597,121	537,409	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		116,000	0	141,000	0	0	0	68,000	325,000
2.2	Support costs for Lead IA (US $)		15,080	0	18,330	0	0	0	8,840	42,250
3.1	Total agreed funding (US $)		116,000	0	141,000	0	0	0	68,000	325,000
3.2	Total support costs (US $)		15,080	0	18,330	0	0	0	8,840	42,250
3.3	Total agreed costs (US $)		131,080	0	159,330	0	0	0	76,840	367,250

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second 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 Ministry of Environmental Protection (MEP) of Turkmenistan and the National Ozone Unit (NOU) are responsible for overall project control, coordination, assessment and monitoring. The NOU will coordinate the daily work of project implementation and assist the enterprises and both the Government and non-Government offices and organizations in streamlining activities for smooth project implementation and ensuring sustainability of results. The NOU will notably help the MEP in monitoring the progress of implementation and reporting to the Executive Committee. Implementation of activities will be further supported by various administrative and service bodies within the Government, international and national consultants, suppliers of equipment and services, and beneficiary enterprises.

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.