

Annex XLIX

**DRAFT DECISION ON AGENDA ITEM 13(h):
KEY ASPECTS RELATED TO HFC-23 BY-PRODUCT CONTROL TECHNOLOGIES:
ARGENTINA (DECISION 84/90)
(WORKING TEXT)**

[The Executive Committee decided to:

- (a) Note the key aspects related to HFC-23 by-product control technologies: Argentina (decision 84/90) contained in document UNEP/OzL.Pro/ExCom/86/95;
- (b) Approve, in principle, US \$1,700,000, plus agency support costs of US \$119,000 calculated at 7 per cent of the project cost for UNIDO, to enable the Government of Argentina to comply with the HFC-23 by-product emission control obligations under the Kigali Amendment to the Montreal Protocol, on the understanding that:
 - (i) The Government of Argentina would ensure that by 1 January 2022 and thereafter, emissions of HFC-23 by-product from the HCFC-22 production line were destroyed in compliance with the Montreal Protocol, including ensuring emissions from its line are at or below 0.1 kg of HFC-23 emissions per 100 kg of HCFC-22 produced;
 - (ii) A maximum amount of US \$274,872, within the total funding approved, is associated with incremental operating costs, and would be divided in annual tranches to be provided to Argentina upon verification of the quantity of HFC-23 destroyed;
 - (iii) The amount of incremental operating costs in each annual tranche will be calculated by multiplying the quantity of HFC-23 destroyed in metric tonnes by US \$0.76/kg;
 - (iv) The Government of Argentina would have flexibility to use the funding approved in principle indicated in sub-paragraph (b) above for compensating the production plant, Frio Industrias Argentinas (FIASA), for closing its HCFC-22 production line should FIASA decide to permanently close its HCFC-22 production line prior to 1 January 2024, except for any funds approved for independent verification for years subsequent to the year of the production closure, which should be returned to the Multilateral Fund, and on the understanding that any production at this facility of any other substance listed in Annexes C or F to the Protocol will not be eligible for funding;
 - (v) The project would be completed by 1 January 2031;
 - (vi) The Government of Argentina commits that there will be no additional funding from other sources for HFC-23 by-product emissions control at this facility during or after completion of the project, including HFC-23 credits or offsets;
- (c) Note:
 - (i) That the funding approved in principle specified in sub-paragraph (b) above is the total funding that would be available to the Government of Argentina from the

Multilateral Fund for the control of HFC 23 by-product emissions;

- (ii) The costs agreed for this project recognize the special circumstances of the project in Argentina and do not set a precedent for any other projects for the control of HFC-23 by-product emissions;
- (d) Request the Secretariat, in cooperation with UNIDO, to prepare a draft Agreement between the Government of Argentina and the Executive Committee for the control of HFC-23 by product emissions for consideration at the 87th meeting, in light of the guidance provided by the Executive Committee at the 86th meeting and in accordance with this decision;
- (e) Approve the first tranche of the HFC-23 by-product control emissions for Argentina at the amount of US \$1,285,128, plus agency support costs of US \$89,959 for UNIDO; and
- (f) Request the Government of Argentina, through UNIDO, to submit an annual implementation plan based on the draft agreement for consideration at the 87th meeting.]