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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-eighth Meeting
Montreal, 22–26 June 2026

**REPORT OF THE NINETY-EIGHTH MEETING
OF THE EXECUTIVE COMMITTEE**

Introduction

1. The 98th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal, Canada, from 22 to 26 June 2026.
2. The meeting was attended by representatives of the following countries, members of the Executive Committee in accordance with decision XXXVII/19 of the Thirty-Seventh Meeting of the Parties to the Montreal Protocol:
 - (a) Parties operating under paragraph 1 of Article 5 of the Protocol (Article 5 parties): Brazil, Cameroon, Cuba, India, Kuwait, Lesotho (Chair) and Mexico; and
 - (b) Parties not operating under paragraph 1 of Article 5 of the Protocol (non-Article 5 parties): Australia (Vice-Chair), Austria, Belgium, France, Japan, Kazakhstan and the United States of America.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the meeting as observers.
4. The Executive Secretary and a staff member of the Ozone Secretariat, and members of the Technology and Economic Assessment Panel were also present.
5. A representative of the European Union attended as an observer.

6. Representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, the Institute for Energy and Climate Strategies, and the World Meteorological Organization (WMO) also attended as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The 98th meeting of the Executive Committee was opened by the Chair, Mathatela Ntsatsi (Lesotho). He welcomed the opportunity to pursue the Committee's work and stressed the need for the Committee to reach agreement on the various matters to be considered, including nine new Kigali HFC implementation plans (KIPs) and several tranches of KIPs; nine new stages of HCFC phase-out management plans (HPMPs) and several tranches of HPMPs; energy-efficiency projects under decisions 91/65, 94/60 and 95/87, and the activities in the work programmes submitted by three implementing agencies.

8. The Committee would continue to discuss the issue of alternatives in polyurethane (PU) foam manufacturing and would consider a new policy paper referring to the strategic approaches to the implementation of the Kigali Amendment in Article 5 countries. It would also discuss possible ways to address the challenges in implementing conversion projects in the refrigeration, air-conditioning and heat-pump sector owing to supply-chain issues. A funding window for three regional atmospheric monitoring pilot projects, relevant guidelines, Agreements and the issue of the potential role of the WMO as an implementing agency were also before the Committee for its consideration and possible approval.

9. The Secretariat had prepared papers providing updates on projects in the local installation and assembly subsector approved at the 96th and 97th meetings and additional information on the purpose, objective and sustainability of new energy-efficiency testing centres in non-manufacturing countries. It also planned to report on its assessment of the implementation of the Multilateral Fund's gender policy and how the policy had empowered women through activities supported by the Fund.

10. In view of the many items to be considered, the Chair urged the members of the Executive Committee to use the time available as efficiently as possible.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

11. The Executive Committee adopted the following agenda for the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/98/1:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Financial matters:
 - (a) Status of contributions and disbursements;
 - (b) Report on balances and availability of resources.
5. Country programme data and prospects for compliance.

6. Programme implementation:
 - (a) Status reports and reports on projects with specific reporting requirements with no outstanding issues;
 - (b) Reports on projects with specific reporting requirements with outstanding issues for individual consideration;
 - (c) 2026 consolidated project completion report.
7. Business planning:
 - (a) Update on the status of implementation of the 2026-2028 consolidated business plan of the Multilateral Fund;
 - (b) Tranche submission delays.
8. Project proposals:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Projects recommended for blanket approval;
 - (d) Projects recommended for individual consideration.
9. Updated report on the issue of alternatives in polyurethane foam manufacturing with a focus on small and medium-sized enterprises, in particular for spray and insulating foam applications (decision 96/53(c)).
10. Paper on the challenges in implementing conversion projects in the refrigeration, air-conditioning and heat-pump sector due to supply-chain issues and possible ways to address the challenges (decision 96/59).
11. Update on the local installation and assembly subsector (decision 95/89(c)).
12. Additional information on new energy-efficiency testing centres in non-manufacturing countries (decision 97/88(c)).
13. Paper regarding strategic approaches to Kigali Amendment implementation in Article 5 countries pursuant to elements referred to in decision 96/57.
14. Matters relating to pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol (decision 96/56).
15. Draft report of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol to the Thirty-Eighth Meeting of the Parties.
16. Report of the Sub-group on the Production Sector.
17. Other matters.
18. Adoption of the report.

19. Closure of the meeting.

12. The Executive Committee agreed to defer item 15 of the provisional agenda on assessment of the implementation of the Multilateral Fund gender-mainstreaming policy (decision 95/92(b)) until sufficient data were available to conduct a meaningful assessment and to consider, under item 17 of the agenda, Other matters, assessment of the funding window for energy efficiency established under decision 91/65; the implementation of decision XXXV/13 of the Meeting of the Parties on the import and export of prohibited cooling equipment; and the project review process of the Secretariat relating to energy-efficiency projects under decision 94/60.

(b) Organization of work

13. The Chair proposed to the plenary the organization of work.

14. The Executive Committee agreed to follow its customary procedures.

15. The Committee also agreed to reconvene the Sub-group on the Production Sector with the following composition: Australia, Austria, Cameroon, France, India, Lesotho, Mexico and the United States of America.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

16. The Chief Officer introduced document UNEP/OzL.Pro/ExCom/98/2.

17. Members welcomed the report, expressing appreciation for the work done on the knowledge management system, more effective use of artificial intelligence (AI), the Kigali Sim open-source online tool and the QuiriO₃ repository, and finalization of the recruitment of evaluation and administrative posts.

18. The importance of the Secretariat's collaboration and cooperation with other funds and organizations was also highlighted. One member asked the Secretariat to include, in its report for the 99th meeting, information on progress in the process, under Work Package 27 of the UN80 Initiative, to assess and propose structural changes and programme realignments to strengthen the effectiveness of environmental action across the United Nations system, as well as opportunities for inter-institutional cooperation on topics such as energy efficiency and end-of-life refrigerant management. The same member noted that the cooperation agreement between the Fund and the Global Environment Facility (GEF) had been signed in 2014 and expressed an interest in receiving an update on its implementation. She also noted with regret that the Fund had not been represented at the most recent GEF Council meeting and, echoed by another member, underscored the importance of participation in the meetings of the Council as well as those of the board of the Green Climate Fund (GCF), as another financial tool for the Montreal Protocol. Others, while supporting the goal of information exchange and mutual understanding, cautioned that such use of the Secretariat's resources should be carefully assessed given the Secretariat's limited role in those meetings.

19. A number of suggestions were made and clarifications requested. The suggestions included the use on projects of actors that had already been identified by other organizations and the strengthening of cooperation with other organizations to that end, and the establishment of a harmonized methodology or a set of common assumptions for use by agencies when assisting countries in estimating HFC consumption, with the goal of ensuring greater predictability and consistency, particularly in the commercial and industrial refrigeration sectors in large countries. Member requested clarification, among other things, regarding measures to ensure consistency in data reporting, the transition to the new knowledge management system and the use of AI.

20. Responding to the comments, the Chief Officer began by highlighting, on the matter of Article 7 and country programme data reporting discrepancies, the measures taken by the Secretariat to assist agencies

and countries in improving consistency in data reporting. In addition to drawing programme officers' attention to the issue, the Secretariat had held, for the implementing agencies and for the countries themselves, in Africa and Latin America, webinars that were focused on online country programme data reporting and ways to improve consistency. While she acknowledged that reporting of HFC consumption was a critical challenge, she indicated that there was no harmonized methodology for estimating and reporting HFC consumption and that the implementing agencies used their own methods to do so.

21. Turning to the knowledge management system and online project submissions, she said that, while the transition would indeed be challenging, the Secretariat had tested the system's technical infrastructure, which worked very well. The Secretariat was attempting to capture new impact indicators and was aware that the implementing entities would need clear guidance on uploading the various elements. In addition, a dedicated team would be available around the clock to respond to queries and support the process, and online sessions would be organized from the outset for all officers that would be inputting data.

22. On the question of collaboration with other funds, the Chief Officer acknowledged that collaboration was essential, not only to avoid duplication but to leverage additional resources for developing countries. She undertook to assess carefully the value of participation in meetings of GEF and GCF and to participate in meetings whenever the Secretariat determined that they would produce added value and a positive output. Regarding the cooperation agreement with GEF, for the main purpose of providing GEF support in reviewing funding requests for the countries with economies in transition doing Montreal Protocol work at that time, the Executive Committee would need to instruct the Secretariat and provide guidance if it wished to see the agreement updated. Given, however, that the question had been raised during the Committee's plenary discussion, the Secretariat could begin exploring the possibility with the new GEF Chief Executive Officer.

23. Responding to a request for an updated Secretariat organization chart, the Chief Officer recalled that such information was always provided along with the annual budget proposal, which would be discussed at the 99th meeting, and the Secretariat would take care at that time to make the organization chart a greater feature of the document. She also acknowledged the positive comments regarding the increased use of AI for French and Spanish translation and informed the members that it would be extended to the Arabic for the next meeting.

24. The Executive Committee took note, with appreciation, of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/98/2.

AGENDA ITEM 4: FINANCIAL MATTERS

(a) Status of contributions and disbursements

25. The Treasurer introduced document UNEP/OzL.Pro/ExCom/98/3. He provided updated information on parties' contributions to the Multilateral Fund. Since issuance of the document, the Treasurer had received additional contributions totalling US \$45,570,683 from the Governments of Canada, Czechia, Germany, Greece, the Holy See, Ireland, Japan and Luxembourg, bringing to 35 the total number of parties that had contributed to the Fund in 2026.

26. As at the opening of the present meeting, the balance of the Fund stood at US \$697,852,498 in cash. Since the previous Executive Committee meeting, the total loss on the fixed-exchange-rate mechanism had decreased by approximately US \$4,943,000. The cumulative loss on the fixed-exchange-rate mechanism currently stood at approximately US \$24,630,000. As at 19 June 2026, 24 parties had opted into the fixed-exchange-rate mechanism.

27. The Treasurer mentioned that invoices for 2026 and reminders about outstanding contributions had been sent to all parties in February and May 2026.

28. The Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex I to the present report;
- (b) To note also, with appreciation, that Israel had resumed its contributions to the Multilateral Fund;
- (c) To request the Chief Officer and the Treasurer to continue following up with parties that had outstanding contributions for one triennium or more, and to report back at the 99th meeting; and
- (d) To urge all parties to pay their contributions to the Multilateral Fund in full and as early as possible.

(Decision 98/1)

(b) Report on balances and availability of resources

29. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/98/4 and Add.1. He reported that the total funding requested at the present meeting was US \$155,293,564, including agency support costs. Given the Treasurer's updated information on the Fund balance, which stood at US \$697,852,498, and the return of US \$1,417,152 in balances, the total funding available amounted to US \$699,269,650, which was deemed sufficient for approval of the projects to be considered at the present meeting.

30. One member noted that some balances from projects, completed over two years previously, had not yet been returned by implementing agencies and called on the implementing agencies to return balances as soon as possible.

31. The Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/98/4;
 - (ii) That the net level of funds being returned by the implementing agencies at the 98th meeting was US \$1,417,152, consisting of US \$105,125, plus agency support costs of US \$7,918, from UNDP; US \$594,160, plus agency support costs of US \$42,303, from UNEP; and US \$620,860, plus agency support costs of US \$46,786, from UNIDO;
 - (iii) That UNDP held balances of US \$686,476, including agency support costs, for nine projects completed over two years previously;
 - (iv) That UNIDO held balances of US \$567,491, including agency support costs, for 11 projects completed over two years previously and US \$91,402, including agency support costs, for one project funded from the additional voluntary contributions;
- (b) To request UNDP and UNIDO:
 - (i) To proceed with disbursement or to cancel committed funds that were not needed for completed projects and to return the associated balances at the 99th meeting;

- (ii) To proceed with disbursement or to cancel commitments for the projects completed over two years previously, and to return balances at the 99th meeting;
- (c) To request UNIDO to proceed with disbursement or return at the 99th meeting the balances of the project funded from the additional voluntary contributions;
- (d) To request the Treasurer:
 - (i) To offset, against future World Bank approvals at the 98th meeting, the balances from projects for Indonesia, in the amount of US \$3,120,409, plus agency support costs of US \$218,429, consisting of:
 - a. US \$1,089,609, plus agency support costs of US \$76,273, from the Kigali HFC implementation plan (KIP) for the country (stage I, first tranche – domestic refrigeration manufacturing) (IDS/KIP/96/INV/227);
 - b. US \$1,779,900, plus agency support costs of US \$124,593, from the KIP for the country (stage I, first tranche – servicing) (IDS/KIP/96/INV/228);
 - c. US \$250,900, plus agency support costs of US \$17,563, from the KIP for the country (stage I, first tranche – project management unit) (IDS/KIP/96/INV/229); and
 - (ii) To transfer to UNDP, at the 98th meeting, funding equal to the funds and agency support costs offset for the projects referred to in subparagraph (d)(i) above, for use in their implementation.

(Decision 98/2)

AGENDA ITEM 5: COUNTRY PROGRAMME DATA AND PROSPECTS FOR COMPLIANCE

32. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/5.
33. One member expressed concern that five countries had reported 2025 HCFC consumption levels that were greater than their 67.5 per cent reduction targets, and a further five countries had reported HFC consumption levels that were greater than their baselines. While the matter would be considered in more detail in the context of future tranche requests, the high level of HCFC consumption reported by five countries was surprising, given the stage of implementation of many HPMPs. The representative of the Secretariat said that the level of consumption for those five countries would become clearer when tranche requests were submitted and verification reports became available for comparison with Article 7 and country programme data. In response to a question about the reporting of HFC-23 production under the revised format, the representative of the Secretariat said that country data on production or unintentional generation would be provided in future reports where those data were available and provided by countries.
34. The Executive Committee decided to note:
- (a) The information on country programme data and prospects for compliance contained in document UNEP/OzL.Pro/ExCom/98/5, and that, as at 7 May 2026, 100 countries had submitted 2025 country programme data;
 - (b) That an additional 21 countries had submitted 2025 country programme data after the issuance of document UNEP/OzL.Pro/ExCom/98/5; and

- (c) That, as at 7 May 2026, the online country programme data reporting system had been used by 127 countries, of which 126 had officially submitted their 2024 data and 96 had officially submitted their 2025 data.

(Decision 98/3)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) Status reports and reports on projects with specific reporting requirements with no outstanding issues

35. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/6, which contained two sections.

I. Projects with implementation delays and for which special status reports were requested

36. Information relating to the projects with implementation delays was presented in paragraphs 2 to 8 of document UNEP/OzL.Pro/ExCom/98/6.

37. The Executive Committee decided:

- (a) To note:
 - (i) The reports on implementation delays and the status reports submitted by bilateral and implementing agencies, contained in document UNEP/OzL.Pro/ExCom/98/6;
 - (ii) That bilateral and implementing agencies would report to the Executive Committee at the 99th meeting on 11 projects with implementation delays, as indicated in annex II to the present report, and on four projects recommended for additional status reports, as indicated in annex III to the present report, as part of the 2025 annual and financial progress report of the bilateral and implementing agencies;
- (b) To approve the recommendations on ongoing projects with specific issues listed in the last column of the table in annex III to the present report;
- (c) To cancel the following projects for Afghanistan and to request UNIDO to return the remaining balances to the 99th meeting: HCFC phase-out management plan (HPMP) (stage I, third tranche) (AFG/PHA/79/INV/22); HPMP (stage I, fourth tranche) (AFG/PHA/85/INV/28); HPMP (stage I, fourth tranche) (AFG/PHA/95/TAS/33); HPMP (stage II, first tranche) (AFG/PHA/85/INV/30); HPMP (stage II, first tranche) (AFG/PHA/95/TAS/34); extension of institutional strengthening project (phase X: 01/2022–12/2023) (AFG/SEV/95/INS/35); and preparation of a national inventory of banks of waste controlled substances and development of a national plan for management of those substances (decision 91/66) (AFG/DES/94/PRP/32); and
- (d) To cancel also the outstanding tranches approved in principle under stage II of the HPMP for Afghanistan.

(Decision 98/4)

II. Projects with specific reporting requirements with no outstanding issues

A. Reports related to HCFC phase-out management plans

Argentina: HCFC phase-out management plan (stage II – availability of low-global-warming-potential alternatives to HCFC-141b in the foam sector and transitional use of high-global-warming-potential alternatives) (UNIDO and the Government of Italy)

38. Information relating to the HPMP was set out in paragraphs 10 to 21 of document UNEP/OzL.Pro/ExCom/98/6.

39. The Executive Committee decided:

- (a) To note the report on the update on the status of availability of low-global-warming-potential (GWP) alternatives to HCFC-141b in the foam sector and on the transitional use of high-GWP alternatives in the context of stage II of the HCFC phase-out management plan (HPMP) for Argentina, provided by UNIDO and contained in document UNEP/OzL.Pro/ExCom/98/6; and
- (b) To request the Government of Argentina and UNIDO, in line with decision 92/31(c)(ii), to provide, as part of the yearly progress report on the implementation of the final tranche of stage II of the HPMP, due at the 99th meeting, an update on local market availability of low-GWP alternatives to HCFC-141b in the foam sector and on the transitional use of high-GWP alternatives.

(Decision 98/5)

Bangladesh: HCFC phase-out management plan (stage II – report on the number of air conditioners using R-290/HFC-32 under the air-conditioning sector conversion project) (UNDP)

40. Information relating to the HPMP was set out in paragraphs 22 to 29 of document UNEP/OzL.Pro/ExCom/98/6.

41. The Executive Committee decided to note the report on the number of air conditioners using R-290/HFC-32 as the refrigerant that were manufactured in 2025 by each of the enterprises funded under the air-conditioning sector conversion project of stage II of the HCFC phase-out management plan for Bangladesh, provided by UNDP and contained in document UNEP/OzL.Pro/ExCom/98/6.

(Decision 98/6)

Bhutan: HCFC phase-out management plan and additional activities to maintain energy efficiency in the refrigeration servicing sector under decision 89/6 (request for extension of project completion date) (UNEP and UNDP)

42. Information relating to the HPMP was set out in paragraphs 30 to 35 of document UNEP/OzL.Pro/ExCom/98/6.

43. The Executive Committee decided:

- (a) To note the request for the extension of the implementation of the HCFC phase-out management plan for Bhutan, as submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/98/6; and

- (b) To approve, on an exceptional basis, and on the understanding that no further extension of project implementation would be approved, the extension to 31 December 2027 of the completion date of the project referred to in subparagraph (a) above, to allow the completion of the additional activities to maintain energy efficiency in the refrigeration servicing sector submitted in line with decision 89/6.

(Decision 98/7)

Iraq: HCFC phase-out management plan (stage II – completion of stage I, national phase-out plan and project to replace CFC-12 with isobutane and CFC-11 with cyclopentane in domestic refrigeration manufacturing at Light Industries) (UNEP and UNIDO)

44. Information relating to the HPMP was set out in paragraphs 36 to 41 of document UNEP/OzL.Pro/ExCom/98/6.

45. The Executive Committee decided:

- (a) To note the final reports on progress achieved in completing the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Iraq (IRQ/PHA/74/INV/23), the first tranche of the national phase-out plan (IRQ/PHA/58/INV/09), and the project to replace refrigerant CFC-12 with isobutane and foam-blowing agent CFC-11 with cyclopentane in the manufacturing of domestic refrigerators and chest freezers at Light Industries Company (IRQ/REF/57/INV/07), as submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/98/6; and
- (b) To request UNIDO to submit the project completion reports for the projects IRQ/PHA/58/INV/09 and IRQ/REF/57/INV/07 prior to the 99th meeting to allow consideration of the UNIDO-implemented second tranche of stage II of the HPMP, in line with decision 87/40(c).

(Decision 98/8)

Kuwait: HCFC phase-out management plan (stage II – request for extension of the project completion date) (UNEP and UNIDO)

46. Information relating to the HPMP was set out in paragraphs 42 to 47 of document UNEP/OzL.Pro/ExCom/98/6.

47. The Executive Committee decided:

- (a) To note the request for extension of stage II of the HCFC phase-out management plan for Kuwait, as submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/98/6; and
- (b) To approve, on an exceptional basis, and on the understanding that no further extension would be approved, the extension to 31 December 2027 of the completion date of the project referred to in subparagraph (a) above.

(Decision 98/9)

Mauritania: HCFC phase-out management plan (stage I – progress report on the implementation of the work programme associated with the third and final tranche) (UNEP and UNIDO)

48. Information relating to the HPMP was set out in paragraphs 48 to 56 of document UNEP/OzL.Pro/ExCom/98/6.

49. The Executive Committee decided to note the report on progress made in implementing the remaining activities under stage I of the HCFC phase-out management plan (HPMP) for Mauritania, including the outcome of the techno-economic feasibility assessment of a national recovery, recycling and reclaiming scheme, the operational framework for the scheme and its links to the existing recovery centres, and equipment to be procured associated with the third and final tranche of stage I of the HPMP, submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/98/6.

(Decision 98/10)

Türkiye: HCFC phase-out management plan (stage I – progress report on the implementation of the work programme associated with the fifth and final tranche) (UNIDO and UNEP)

50. Information relating to the HPMP was set out in paragraphs 57 to 67 of document UNEP/OzL.Pro/ExCom/98/6.

51. The Executive Committee decided to note the progress report on the implementation of the work programme associated with the fifth and final tranche of stage I of the HCFC phase-out management plan for Türkiye, provided by UNIDO and contained in document UNEP/OzL.Pro/ExCom/98/6.

(Decision 98/11)

B. Report related to Kigali HFC implementation plan (KIP) Agreements

Agreements for the reduction in consumption of HFCs in accordance with stage I of Kigali HFC implementation plans

52. Information relating to the draft Agreements for stage I of KIPs approved between the 92nd and 95th meetings was set out in paragraphs 68 to 72 of document UNEP/OzL.Pro/ExCom/98/6.

53. The Executive Committee decided to approve:

- (a) The Agreement between the Government of Benin and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the Kigali HFC implementation plan (KIP), contained in annex IV to the present report;
- (b) The Agreement between the Government of Cambodia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex V to the present report;
- (c) The Agreement between the Government of Chad and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex VI to the present report;
- (d) The Agreement between the Government of El Salvador and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex VII to the present report;

- (e) The Agreement between the Government of Eswatini and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex VIII to the present report;
- (f) The Agreement between the Government of the Gambia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex IX to the present report;
- (g) The Agreement between the Government of Ghana and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex X to the present report;
- (h) The Agreement between the Government of Grenada and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XI to the present report;
- (i) The Agreement between the Government of Jordan and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XII to the present report;
- (j) The Agreement between the Government of Kyrgyzstan and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XIII to the present report;
- (k) The Agreement between the Government of the Lao People's Democratic Republic and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XIV to the present report;
- (l) The Agreement between the Government of Lesotho and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XV to the present report;
- (m) The Agreement between the Government of Liberia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XVI to the present report;
- (n) The Agreement between the Government of Malawi and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XVII to the present report;
- (o) The Agreement between the Government of Malaysia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XVIII to the present report;
- (p) The Agreement between the Government of Montenegro and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XIX to the present report;
- (q) The Agreement between the Government of Mozambique and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XX to the present report;

- (r) The Agreement between the Government of North Macedonia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXI to the present report;
- (s) The Agreement between the Governments of the Pacific island countries and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXII to the present report;
- (t) The Agreement between the Government of Panama and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXIII to the present report;
- (u) The Agreement between the Government of Paraguay and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXIV to the present report;
- (v) The Agreement between the Government of Peru and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXV to the present report;
- (w) The Agreement between the Government of Rwanda and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXVI to the present report;
- (x) The Agreement between the Government of Saint Lucia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXVII to the present report;
- (y) The Agreement between the Government of Senegal and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXVIII to the present report;
- (z) The Agreement between the Government of Seychelles and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXIX to the present report;
- (aa) The Agreement between the Government of Sierra Leone and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXX to the present report;
- (bb) The Agreement between the Government of Togo and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXI to the present report;
- (cc) The Agreement between the Government of Trinidad and Tobago and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXII to the present report;
- (dd) The Agreement between the Government of Tunisia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXIII to the present report;

- (ee) The Agreement between the Government of Türkiye and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXIV to the present report;
- (ff) The Agreement between the Government of Uruguay and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXV to the present report;
- (gg) The Agreement between the Government of Viet Nam and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXVI to the present report; and
- (hh) The Agreement between the Government of Zimbabwe and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex XXXVII to the present report.

(Decision 98/12)

C. Report on additional activities to maintain energy efficiency in the refrigeration servicing sector (decision 89/6)

Maldives: Additional activities to maintain energy efficiency in the refrigeration servicing sector under decision 89/6(b) (final progress report) (UNEP)

54. Information relating to the project was set out in paragraphs 73 to 81 of document UNEP/OzL.Pro/ExCom/98/6.

55. The Executive Committee decided to note the final progress report on the project on additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and on maintaining energy efficiency in the refrigeration servicing sector in Maldives, as submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/98/6.

(Decision 98/13)

D. Report on pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (decision 91/65)

Cameroon: 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) (request for extension of project completion date) (UNIDO)

56. Information relating to the project was set out in paragraphs 82 to 86 of document UNEP/OzL.Pro/ExCom/98/6.

57. The Executive Committee decided:

- (a) To note the request for extension of the 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) in Cameroon, as submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/98/6; and

- (b) To approve, on an exceptional basis, and on the understanding that no further extension would be approved, the extension to 31 December 2026 of the completion date of the project referred to in subparagraph (a) above.

(Decision 98/14)

E. Report on project preparation for enhancing energy efficiency in the context of HFC phase-down in the refrigeration and air-conditioning manufacturing sector (decision 94/60)

Türkiye: Status of preparation of a project to enhance energy efficiency and to convert 29 refrigeration and air-conditioning manufacturing enterprises from the use of hydrofluorocarbons to low-global-warming-potential technology (UNIDO)

58. Information relating to the preparation of the project was set out in paragraphs 87 to 91 of document UNEP/OzL.Pro/ExCom/98/6.

59. The Executive Committee decided to note:

- (a) The progress report on the preparation of a project to enhance energy efficiency and to convert 29 refrigeration and air-conditioning manufacturing enterprises from the use of HFCs to low-global-warming-potential technology in Türkiye, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/98/6; and
- (b) That the project referred to in subparagraph (a) above would be submitted by UNIDO to the 99th meeting.

(Decision 98/15)

F. Report on preparation of a national inventory of banks of used or unwanted controlled substances and a plan for the collection, transport, and disposal of such substances (decision 91/66)

Mauritius: Preparation of a national inventory of banks of waste controlled substances and development of a national plan for management of those substances (decision 91/66) (request for extension of project completion date) (Government of Germany)

60. Information relating to the preparation of the inventory and plan was set out in paragraphs 92 to 96 of document UNEP/OzL.Pro/ExCom/98/6.

61. The Executive Committee decided:

- (a) To note the request for extension of the preparation of a national inventory of banks of waste controlled substances and development of a national plan for management of those substances (decision 91/66) in Mauritius, as submitted by the Government of Germany and contained in document UNEP/OzL.Pro/ExCom/98/6; and
- (b) To approve, on an exceptional basis, and on the understanding that no further extension would be approved, the extension to 30 June 2027 of the completion date of the project referred to in subparagraph (a) above.

(Decision 98/16)

(b) Reports on projects with specific reporting requirements with outstanding issues for individual consideration

62. There were no reports on projects with specific reporting requirements with outstanding issues for individual consideration.

(c) 2026 consolidated project completion report

63. Introducing the sub-item, the Chair said that the 2026 consolidated project completion report (document UNEP/OzL.Pro/ExCom/98/7) contained two distinct sections, the first referring to the monitoring component of the project completion report (PCR), and the second referring to the evaluation component of the PCR, including lessons learned.

64. The representative of the Secretariat introduced section I of the report, and the Senior Evaluation Officer introduced section II of the report and the recommendations.

65. One member said that the summaries provided were helpful and that the lessons learned would assist the Executive Committee in its future work. Noting that his country's policy was to recognize two sexes, male and female, he emphasized the need to use clear and accurate language and to avoid the use of ambiguous terms, specifically in relation to gender, in the decisions or recommendations of the Committee. Another member welcomed the high rate of submission of PCRs and the efforts made to strengthen follow-up and evaluation activities for projects, while seeking further information on how the lessons learned would be taken into account in the creation of new projects; on what remaining challenges were faced in the implementation of projects; and on the participation of women in projects, for example through the inclusion of relevant indicators in project proposals.

66. The Senior Evaluation Officer said that the lessons learned identified in the document pointed to practical areas for improvement that could be used by the implementing agencies when preparing projects and by project officers when reviewing projects. Areas included due diligence before implementation, which had been reported as an important aspect in conversion projects, and support to small and medium-sized enterprises, particularly with regard to the early assessment of technologies and consideration of supply chains. He was working with the Secretariat on the finalization, by the end of 2026, of the PCR module in the knowledge management system, which would assist follow-up on implementation and the reporting of the different indicators.

67. The Executive Committee decided:

- (a) To note the 2026 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/98/7;
- (b) To request:
 - (i) Bilateral and implementing agencies to submit at the 99th meeting, for consideration by the Executive Committee at the 100th meeting, outstanding PCRs for multi-year agreements (MYAs) and individual projects or to provide reasons for failing to do so;
 - (ii) Lead and cooperating implementing agencies to continue coordinating their work closely in finalizing their respective portions of PCRs to facilitate the timely submission of the reports by the lead implementing agency;
 - (iii) Bilateral and implementing agencies, when filling in the data for PCR submissions, to ensure the inclusion of relevant and useful information and to report on lessons

learned and reasons for delays in project implementation for their use in future improvements in project design and implementation; and

- (c) To invite all those involved in the preparation and implementation of MYAs and individual projects, in particular the Secretariat and the bilateral and implementing agencies, to take into consideration the lessons learned from PCRs, where applicable.

(Decision 98/17)

AGENDA ITEM 7: BUSINESS PLANNING

(a) Update on the status of implementation of the 2026–2028 consolidated business plan of the Multilateral Fund

68. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/8.

69. The Executive Committee decided to note:

- (a) The update on the status of implementation of the 2026–2028 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/98/8; and
- (b) That the total value of activities recommended for approval at the 98th meeting amounted to US \$126,051,584 (including US \$27,129,471 for HFC-related activities; US \$1,058,872 for pilot projects for energy efficiency pursuant to decision 91/65; US \$13,575,558 for energy-efficiency projects pursuant to decision 94/60; and US \$53,492,510 (including US \$51,360,000 for investment and US \$2,132,510 for technical assistance projects) for the energy-efficiency revolving fund for end users pursuant to decision 95/87), of which US \$7,658,529 was associated with project proposals not included in the 2026 business plan.

(Decision 98/18)

(b) Tranche submission delays

70. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/9. She indicated that, as the remaining tranches of stage II of the HPMPs for Afghanistan and Thailand would not be requested at a future meeting, they would be removed from annex I to the document.

71. The Executive Committee decided:

- (a) To note:
 - (i) The report on tranche submission delays contained in document UNEP/OzL.Pro/ExCom/98/9;
 - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted by the Governments of France and Germany, UNDP, UNEP, UNIDO and the World Bank;
 - (iii) That 31 out of 72 activities (18 out of 43 countries) related to MYA tranches due for submission at the 98th meeting had been submitted on time;
 - (iv) That relevant bilateral and implementing agencies had indicated that the late submission of the tranches of HCFC phase-out management plans and Kigali HFC implementation plans due for submission at the first meeting in 2026 would have

no impact on countries' compliance with the Montreal Protocol, and that there was no indication, except in one case, that the countries concerned were in non-compliance with the Montreal Protocol control measures; and

- (b) To request the Secretariat to send letters to the relevant Governments regarding the decisions on tranche submission delays contained in annex XXXVIII to the present report.

(Decision 98/19)

AGENDA ITEM 8: PROJECT PROPOSALS

(a) Overview of issues identified during project review

72. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/98/10, Add.1 and Add.2. One member said that document UNEP/OzL.Pro/ExCom/98/10/Add.2 did not appear to be only for the information of the Committee and should be discussed under item 17, Other matters.

Verification of compliance of selected low-volume-consuming countries with their HCFC phase-out management plan and Kigali HFC implementation plan Agreements

73. The representative of the Secretariat introduced paragraphs 9 and 10 of document UNEP/OzL.Pro/ExCom/98/10.

74. The Executive Committee decided:

- (a) To note that relevant bilateral and implementing agencies had included in their 2026 work programmes, submitted to the 98th meeting, requests for funding the verification reports for HCFC phase-out management plans and Kigali HFC implementation plans for Armenia, Benin, Bosnia and Herzegovina, Burkina Faso, Chad, the Cook Islands, Costa Rica, El Salvador, Eswatini, Ethiopia, Fiji, the Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea-Bissau, Honduras, Jamaica, Kiribati, the Lao People's Democratic Republic, Lesotho, Liberia, Mali, the Marshall Islands, Mauritius, Micronesia (Federated States of), Mongolia, Montenegro, Nauru, the Niger, Niue, Palau, Papua New Guinea, Paraguay, the Republic of Moldova, Rwanda, Saint Lucia, Samoa, Seychelles, Sierra Leone, Solomon Islands, Togo, Tonga, Tuvalu, Uganda, Uruguay, Vanuatu, Zambia and Zimbabwe; and
- (b) To consider the requests for funding associated with the verifications mentioned in subparagraph (a) above in the context of the work programmes and bilateral cooperation submitted by each relevant implementing and bilateral agency under agenda item 8(c), Projects recommended for blanket approval.

(Decision 98/20)

Methodology used to calculate the climate impacts from the implementation of Kigali HFC implementation plans

75. The representative of the Secretariat presented the issue set out in document UNEP/OzL.Pro/ExCom/98/10/Add.1.

76. Several members expressed concern about the potential loss of transparency and accountability if information on the climate impact were not provided for each KIP. One member said that the issue of transparency applied to both Article 5 and non-Article 5 countries, and he was therefore in favour of the matter being addressed by the Meetings of the Parties.

77. One member said that the matter should be thoroughly discussed at inter-agency coordination meetings with a view to obtaining feedback from implementing and bilateral agencies. Another member pointed out that the agencies could also be consulted at the present meeting, in a contact group.

78. With regard to the proposal that the Secretariat should provide, at the 104th meeting, an update on future work, one member said that that would be too late and recommended that an update be given at the 102nd meeting at the latest.

79. Another member, highlighting the statement in paragraph 10 of the document that suggested that any Article 5 country that wished to know the climate impact of the implementation of the KIP for that country could request the calculation from the Secretariat, requested clarification as to why that information would be available only to the country concerned and not to other countries.

80. The representative of the Secretariat said that the entire purpose of the methodology was to provide information on the climate benefits from the implementation of the KIP and that there was no relationship between that information and the level of funding provided or compliance with the consumption targets specified in Agreements between the Executive Committee and Article 5 countries. There might, however, be concern about how information on individual countries might be used in other bodies or contexts, which was why the Secretariat had suggested providing that information on an aggregated basis only. He confirmed that information on the consumption reductions achieved through a KIP would continue to be made available in individual project documents.

81. The Executive Committee agreed to establish a contact group to discuss the matter further.

82. Subsequently, the Committee decided to continue, at the 99th meeting, its discussions on the methodology used to calculate the climate impacts from the implementation of Kigali HFC implementation plans, on the basis of the working document contained in annex XXXIX to the present report.

(Decision 98/21)

Funding withheld in cases of non-submission of the verification report with Kigali HFC implementation plan tranches

83. The representative of the Secretariat presented the issue set out in paragraphs 13 to 17 of document UNEP/OzL.Pro/ExCom/98/10.

84. The Executive Committee decided to extend the application of decision 72/19 on non-submission of verification reports with tranche requests for the HCFC phase-out management plans to tranche requests for the Kigali HFC implementation plans submitted to the first meeting of the year.

(Decision 98/22)

Preparatory requests for projects related to energy efficiency pursuant to decision 91/65

85. The representative of the Secretariat presented the issue set out in paragraph 18 of document UNEP/OzL.Pro/ExCom/98/10.

86. One member said that it was for countries and the implementing agencies to determine the feasibility of submitting pilot energy-efficiency projects in non-manufacturing sectors no later than the 100th meeting of the Executive Committee in the event that the respective project preparation requests were approved as late as the 99th meeting. If the Executive Committee were to adopt a decision at the present meeting, it should specify that requests could be accepted up to the 99th meeting on the understanding that the resulting projects would be submitted to the 100th meeting.

87. Several members asked for an indication of the number of project preparation requests that were expected to be submitted to the 99th meeting. While some members expressed an openness to allowing requests to be submitted to the 99th meeting, one stated that the Committee should be careful about approving requests if it seemed possible or even probable that the resulting full project proposals would fail to meet the submission deadline. The same member noted that decision 91/65 did not specify a deadline for submitting preparation requests and that there was therefore not necessarily a need to adopt a decision on the matter at the current meeting.

88. The representative of the Secretariat said that, according to the current business plan, only one project preparation request was anticipated at the 99th meeting. The implementing agencies might, however, be aware of additional requests in the pipeline.

89. The representative of UNEP said that UNEP was not planning any requests for project preparation but was preparing full project proposals for Bhutan, Maldives and Mongolia for submission to the 99th or 100th meeting. The representative of UNDP said that, while UNDP had held discussions with one or two countries, there were not many proposals currently under consideration. The representative of UNIDO said that, despite there being a general appetite for projects under decision 91/65, UNIDO had no specific plans to submit project preparation requests in what was left of the funding window. The representative of the World Bank said that the same was true for the World Bank.

90. One member, on the issue of whether the Committee should adopt a decision at the current meeting, said that the implementing agencies might benefit from guidance on the timeline for the submission of project preparation requests under decision 91/65. Accordingly, the Executive Committee agreed to hold further discussions in the margins of the meeting.

91. Subsequently, one member said that, after informal consultations were held that, as there was nothing to prevent project preparation requests from being submitted up to and including the Committee's 99th meeting, no action was required at the present meeting. In its review of any requests received, the Secretariat should ensure that the projects concerned could realistically be submitted in time for the 100th meeting.

Energy-efficiency project under decision 94/60 for enterprises with conversion projects submitted before the adoption of the Kigali Amendment

92. The representative of the Secretariat presented the issue set out in paragraphs 19 and 20 of document UNEP/OzL.Pro/ExCom/98/10.

93. One member said that the issue raised policy questions regarding the interpretation of decision 94/60, which he understood to exclude from the energy-efficiency funding window projects that did not contribute to HFC phase-down. The rationale for granting an exception to the project was unclear. It was important to justify any exception, the possibility of which was not foreseen in the decision. One scenario in which the Committee might consider extending eligibility for funding to enterprises with conversion projects submitted before the adoption of the Kigali Amendment was when those enterprises belonged to a sector that was being entirely converted to alternatives with lower global-warming potential (GWP) with a view to adopting more stringent minimum energy performance standards (MEPS).

94. Several members supported the Secretariat's recommendation to grant an exception to the project submitted by the Government of Thailand, with one member highlighting the need to incentivize early climate action, ensure that proactive enterprises were not at a competitive or technical disadvantage compared with those that delayed conversion and uphold the spirit of the Kigali Amendment, the ultimate goal of which was to maximize climate benefits by integrating HFC phase-down with energy-efficiency improvements.

95. One member said that the project clearly did not meet the eligibility criteria under the operational framework on energy efficiency and that it would therefore be interesting to know the justification for making an exception. Two members noted that, in granting an exception, the Committee might set a precedent.

96. The representative of the Secretariat said that the project was a unique case that would have a sector- and nationwide impact.

97. Some members said that the issue should be considered in the context of the project as a whole under agenda item 8(d), Projects recommended for individual consideration, while others stated that a broader discussion was needed on the policy questions raised by the issue. The Executive Committee agreed that interested members could continue discussions in the margins of the meeting.

98. Subsequently, the Executive Committee decided to request the Secretariat to prepare a brief document for the 99th meeting providing information on refrigeration and air-conditioning manufacturing lines that had completed conversion under HCFC phase-out or HFC phase-down projects approved under the Multilateral Fund.

(Decision 98/23)

Deduction from the starting point for HFC consumption where KIPs include commitments for reductions beyond the 10 per cent target under the Kigali Amendment

99. One member said that, for KIPs that established commitments for reductions in HFC consumption beyond the 10 per cent target under the Kigali Amendment, the approach to making a deduction from the starting point was unclear and had historically varied from one project to another. While there could be good reasons for using more than one approach, it would be helpful for the Secretariat to prepare a brief document on the matter for consideration by the Executive Committee at its 99th meeting.

100. Several members expressed appreciation for the proposal and noted that a document could provide useful guidance applicable to future projects. Two members said that the proposal would best be discussed further in a contact group.

101. The Executive Committee agreed to continue the discussion in an informal group.

102. Subsequently, the Executive Committee decided to request the Secretariat to prepare, for consideration by the Executive Committee at its 99th meeting, a brief document on applying deductions from the starting point for sustained aggregate reductions in HFC consumption in cases where a Kigali HFC implementation plan included a consumption reduction target beyond 10 per cent, including cases with large fluctuations in consumption during the baseline years.

(Decision 98/24)

(b) Bilateral cooperation

103. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/98/11 and Corr.1.

104. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 98th meeting as follows:

- (a) US \$463,113 (including agency support costs) against the balance of the bilateral contribution of the Government of Australia for 2024–2026;

- (b) US \$135,600 (including agency support costs) against the balance of the bilateral contribution of the Government of Germany for 2024–2026;
- (c) US \$678,000 (including agency support costs) against the balance of the bilateral contribution of the Government of Italy for 2024–2026; and
- (d) US \$1,788,694 (including agency support costs) against the balance of the bilateral contribution of the Government of the United Kingdom of Great Britain and Northern Ireland for 2024–2026.

(Decision 98/25)

(c) Projects recommended for blanket approval

105. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/12.

106. One member indicated that he had questions on the following five projects: the control of emissions of HFC-23 generated in the production of HCFC-22 at Frío Industrias Argentinas (fourth tranche) for Argentina, the preparation of pilot projects on energy efficiency in data centres (decision 91/65) for Mexico and Viet Nam; and the preparation of projects to enhance energy efficiency in the refrigeration and air-conditioning manufacturing sector (decision 94/60) for Ecuador and Mexico. He therefore requested that they be removed from the list of projects recommended for blanket approval and considered individually under sub-item 8(d), Projects recommended for individual consideration.

107. Another member, while not requesting the withdrawal of any projects, asked that, in general, more detailed information be provided in project documents on the amounts mobilized as co-funding and the allocation of such funding. She added that it was important that, during project preparation, agencies and Governments be able to evaluate the possibility of mobilizing co-funding, both in kind and in cash, and she therefore requested that progress in mobilizing of co-funding be reported as part of submission of tranche requests.

108. The Executive Committee decided to approve the projects and activities submitted for blanket approval at the levels of funding indicated in annex XL to the present report, together with the implementation programmes associated with the relevant tranches of MYA projects; updated Agreements where applicable; relevant conditions or provisions included in the corresponding project evaluation documents; and conditions attached to the projects by the Executive Committee, noting:

- (a) That the following Agreements had been updated:
 - (i) The Agreement between the Government of Angola and the Executive Committee for stage III of the HCFC phase-out management plan (HPMP), as contained in annex XLI to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 97th meeting in decision 97/38;
 - (ii) The Agreement between the Government of Antigua and Barbuda and the Executive Committee for stage II of the HPMP, as contained in annex XLII to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector; and paragraph 17, which had been added to

indicate that the updated Agreement superseded that reached at the 96th meeting in decision 96/32;

- (iii) The Agreement between the Government of Bosnia and Herzegovina and the Executive Committee for stage II of the HPMP, as contained in annex XLIII to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the extension of the project implementation period; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 87th meeting in decision 87/37;
- (iv) The Agreement between the Government of Burundi and the Executive Committee for stage II of the HPMP, as contained in annex XLIV to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 95th meeting in decision 95/42;
- (v) The Agreement between the Government of Cabo Verde and the Executive Committee for stage II of the HPMP, as contained in annex XLV to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector, the delayed submission of the second tranche and the postponement of the third tranche; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 88th meeting in decision 88/46;
- (vi) The Agreement between the Government of Guyana and the Executive Committee for stage II of the HPMP, as contained in annex XLVI to the present report, specifically Appendix 2-A, to reflect numerous changes to the tranche implementation schedule; and paragraph 16, which had been added to indicate that the updated Agreement superseded that reached at the 93rd meeting in decision 93/36;
- (vii) The Agreement between the Government of Suriname and the Executive Committee for stage II of the HPMP, as contained in annex XLVII to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 93rd meeting in decision 93/46;
- (viii) The Agreement between the Government of Togo and the Executive Committee for stage II of the HPMP, as contained in annex XLVIII to the present report, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 91st meeting in decision 91/48; and

- (b) That, for projects related to the renewal of institutional strengthening projects, blanket approval included approval of the observations to be communicated to recipient Governments, as contained in annex XLIX to the present report.

(Decision 98/26)

(d) Projects recommended for individual consideration

109. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/13.

A. Non-investment activities in the work programme of an implementing agency

A.1 Preparation of pilot projects to enhance energy efficiency (decision 91/65)

Mexico: Preparation of a pilot project to enhance energy efficiency in data centres (decision 91/65) (UNIDO)

Viet Nam: Preparation of a pilot project to enhance energy efficiency in data centres (decision 91/65) (UNIDO)

110. The projects had been removed from the list of projects recommended for blanket approval, under agenda item 8(c), for individual consideration under the present sub-item. The information on the projects was contained in paragraphs 26 to 40 of document UNEP/OzL.Pro/ExCom/98/16.

111. One member indicated that he had a number of concerns and was of the view that the project preparation requests related to enhancing energy efficiency in data centres should not be approved, in part for the reasons outlined in the document. In his view, the need for such funding was not justified in view of the large-sized multinational companies involved in the sector, the significant growth projected that could be overestimates, and the lack of linkage for the KIP.

112. The Executive Committee decided not to approve the preparation of pilot projects to improve energy efficiency in data centres in Mexico and Viet Nam in the context of HFC phase-down (decision 91/65).

(Decision 98/27)

A.2 Preparation of projects to enhance energy efficiency in the manufacturing sector in the context of HFC phase-down (decision 94/60)

Bangladesh: Preparation of a project for enhancing energy efficiency in the refrigeration and air-conditioning manufacturing in the context of HFC phase-down (decision 94/60) (UNIDO)

113. The representative of the Secretariat drew attention to paragraphs 62 to 71 of document UNEP/OzL.Pro/ExCom/98/16.

114. Several members were of the view that consideration of the project should be deferred. One noted with concern that the documentation indicated considerable uncertainty regarding the enterprises to be included and the timeline and that, in the absence of a KIP, the Secretariat had been unable to verify the status of sectoral conversion or policies relating to the adoption of specific refrigerant technologies. Another recalled that Bangladesh planned to submit a KIP at a future meeting and suggested that the request would be better considered at the same time as the KIP.

115. Another member objected to the suggestion that the project be linked to the KIP submission, however, and was in favour of approving the preparation project. In his view, the findings of the preparation project could be considered alongside the KIP once submitted. In the interim, it was important for the country to have the flexibility to decide the best way to achieve its targets.

116. Responding to the comments, the representative of the Secretariat said that projects submitted pursuant to decision 94/60 were reviewed in the light of an existing KIP and tended to be approved either alongside the KIP or once the KIP had been approved.

117. Addressing a query regarding the possibility of a two-phase approach, with an initial phase involving enterprises that had already converted to non-HFC technology and a second phase, whereby those that had not converted were considered later as part of the KIP, the representative of UNIDO said that the agency had not considered two phases as it had preferred a sectoral approach.

118. Noting the divergence of views, the Chair invited interested parties to engage in informal discussions in the margins of the meeting.

119. Following the informal discussions, the Executive Committee decided to defer consideration of the preparation project for enhancing energy efficiency in the refrigeration and air-conditioning manufacturing sector in the context of HFC phase-down (decision 94/60) for Bangladesh to a future meeting when sufficient information on the proposed enterprises and project scope was available.

(Decision 98/28)

Ecuador: Preparation of a project for enhancing energy efficiency in the refrigeration and air-conditioning manufacturing in the context of HFC phase-down (UNIDO)

Mexico: Preparation of a project for enhancing energy efficiency in the refrigeration and air-conditioning manufacturing in the context of HFC phase-down (UNIDO)

120. The projects had been removed from the list of projects recommended for blanket approval, under agenda item 8(c), for individual consideration under the present sub-item. The information on the projects was contained in paragraphs 48 to 61 of document UNEP/OzL.Pro/ExCom/98/16.

121. One member questioned eligibility of the enterprises concerned for funding under existing Executive Committee decisions and requested clarification with regard to those that had already converted to lower-GWP alternatives with assistance from the Fund and those that had converted with their own funds or were planning to do so. The representative of the Secretariat explained that two of the seven enterprises involved had received funding for conversion under decision 78/3(g) in the context of the discussion on the cost guidelines for HFC phase-down and a third had received funding under decision 87/50 on preparatory funding for HFC phase-down plans, which had allowed submission of investment projects in advance of KIPs. Those conversions had already been finalized. In the case of the remaining four enterprises, additional information provided by UNIDO at the Secretariat's request indicated that one had converted with its own funding in 2025 and the other three were currently doing so, with one expected to complete its conversion in 2026 or 2027 and the remaining two in 2027 or 2028.

122. The member that had raised the issue indicated that he had residual concerns regarding the three enterprises that had converted under decisions 78/3(g) and 87/50, and the Chair invited him to consult further with the Secretariat in the margins of the meeting.

123. Following the consultations, the same member said that he considered the value under the decision 94/60 funding window to be the energy-efficiency gains achieved at the same time as the HFC conversion. As questions remained regarding the situation of some of the enterprises involved, he suggested

that it would be preferable to consider the preparation requests at the 99th meeting, when the Committee would also consider the information document requested at the present meeting under item 8(a), Overview of issues identified during project review, in relation to the issue of an energy-efficiency project under decision 94/60 for enterprises with conversion projects submitted before the adoption of the Kigali Amendment.

124. The Executive Committee decided to defer to the 99th meeting consideration of the preparation projects for enhancing energy efficiency in the refrigeration and air-conditioning manufacturing sector in the context of HFC phase-down (decision 94/60) for Ecuador and Mexico.

(Decision 98/29)

B. Investment projects under multi-year agreements

B.1 New stage and tranche requests for HCFC phase-out management plans

Albania: HCFC phase-out management plan (stage III – first tranche) (UNIDO and UNEP)

125. The Executive Committee considered the information set out in paragraphs 22 to 47 of document UNEP/OzL.Pro/ExCom/98/17.

126. The Executive Committee decided:

- (a) To approve, in principle, stage III of the HCFC phase-out management plan (HPMP) for Albania for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$321,845, consisting of US \$217,000, plus agency support costs of US \$19,530, for UNIDO and US \$75,500, plus agency support costs of US \$9,815, for UNEP, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Albania to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) To deduct 1.95 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Albania and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex L to the present report;
- (e) That, to allow for consideration of the final tranche of its HPMP, the Government of Albania should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
 - (ii) The expected annual HCFC consumption in Albania for the period 2030–2040; and

- (f) To approve the first tranche of stage III of the HPMP for Albania, and the corresponding tranche implementation plan, in the amount of US \$194,508, consisting of US \$152,530, plus agency support costs of US \$13,728, for UNIDO, and US \$25,000, plus agency support costs of US \$3,250, for UNEP.

(Decision 98/30)

Bahrain: HCFC phase-out management plan (stage III – first tranche) (UNEP)

127. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/22.

128. The Executive Committee decided:

- (a) To approve, in principle, stage III of the HCFC phase-out management plan (HPMP) for Bahrain for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$240,000, plus agency support costs of US \$31,200, for UNEP, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Bahrain to reduce HCFC consumption by 77.4 per cent by 1 January 2028 and to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) To note also that the date of completion of stage III of the HPMP was 31 December 2029;
- (d) To deduct 2.75 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (e) To approve the Agreement between the Government of Bahrain and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex LI to the present report;
- (f) That, to allow for consideration of the final tranche of its HPMP, the Government of Bahrain should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
 - (ii) If Bahrain were intending to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (g) To approve the first tranche of stage III of the HPMP for Bahrain, and the corresponding tranche implementation plan, in the amount of US \$145,000, plus agency support costs of US \$18,850, for UNEP.

(Decision 98/31)

Indonesia: HCFC phase-out management plan (stage III – second tranche) (UNDP and the Government of Australia)

129. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/37.

130. The Executive Committee decided:

- (a) To note the progress report on the implementation of the first tranche of stage III of the HCFC phase-out management plan (HPMP) for Indonesia; and
- (b) To approve the second tranche of stage III of the HPMP for Indonesia, and the corresponding 2026–2029 tranche implementation plan, in the amount of US \$6,257,197, consisting of US \$5,415,032, plus agency support costs of US \$379,052, for UNDP and US \$415,000, plus agency support costs of US \$48,113, for the Government of Australia.

(Decision 98/32)

Morocco: HCFC phase-out management plan (stage III – first tranche) (UNIDO)

131. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/40.

132. One member, noting the significant number of demonstration projects included in the proposal, requested clarification of why such projects were warranted in the shore-based fisheries sector in particular, given that ammonia and hydrocarbons had already been well-demonstrated in a number of shore-based applications.

133. Some members emphasized the importance of stage III of the HPMP, which was essential to ensure that Morocco could remain compliant with its obligations under the Montreal Protocol. It would enable Morocco to eliminate HCFC-22 completely by 2030. Given that the fisheries sector accounted for approximately 50 per cent of HCFC-22 consumption in the country, the pilot project in that area would serve an important role. The same was true of the evaporation technology pilot project in the hotel sector, given the significant hotel infrastructure in the country.

134. Another member said that, while she did have some concerns about the sustainability of the activities, in her view the HPMP offered a reasonable approach under very difficult circumstances. She thanked the Secretariat for its efforts to make the plan more responsive and focused, for example through the establishment of a fisheries refrigeration and air-conditioning technology hub.

135. The representative of the Secretariat, while recognizing that there was a distinction to be made between offshore and shore-based applications in the fisheries sector, said that the Government was taking a holistic approach with a view to introducing sustainable technology throughout the sector. Although onshore technologies might be available worldwide, they were not widely known in Morocco, and a significant number of shore-based applications still relied on HCFC-22. Long-term measures related to sustainability and the uptake of technologies would be presented in the fisheries study when submitting the second tranche so as to ensure that the maximum amount of equipment using HCFC-22 would be considered for retiring or retrofitting.

136. The Executive Committee agreed that interested parties would hold informal discussions on the project in the margins of the meeting.

137. Subsequently, the Executive Committee decided:

Regarding stage II of the HCFC phase-out management plan

- (a) To note the progress report on the implementation of all the remaining activities in the previously approved tranches and the work programmes associated with the final tranche of stage II of the HCFC phase-out management plan (HPMP) for Morocco;
- (b) To approve, on an exceptional basis, and on the understanding that no further extension would be approved, the extension to 31 December 2027 of the completion date of the project referred to in subparagraph (a) above;
- (c) To request the Government of Morocco and UNIDO to submit a progress report on the implementation of all the remaining activities in the previously approved tranches and the work programmes associated with the final tranche of stage II, on a yearly basis through completion of the project, and the project completion report to the first meeting of the Executive Committee in 2028;

Regarding stage III of the HCFC phase-out management plan

- (d) To approve, in principle, stage III of the HPMP for Morocco for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,439,804, plus agency support costs of US \$100,786, for UNIDO, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (e) To note the commitment of the Government of Morocco to phase out completely HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (f) To deduct 16.69 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (g) To approve the Agreement between the Government of Morocco and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex LII to the present report;
- (h) To request the Government of Morocco and UNIDO, when submitting the request for the second tranche, to report on the outcomes of the fisheries study, including the feasibility of the demonstration activities or an alternate plan to offer support to the same sector, the feasibility study on recovery, recycling and reclamation, and the sector-specific leakage rate study;
- (i) To note that, upon completion of the end-user projects included in stage III of the HPMP, UNIDO would submit final reports on the implementation of those projects, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (j) That, to allow for consideration of the final tranche of its HPMP, the Government of Morocco should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;

- (ii) If Morocco were intending to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (k) To approve the first tranche of stage III of the HPMP for Morocco, and the corresponding tranche implementation plan, in the amount of US \$165,240, plus agency support costs of US \$11,567, for UNIDO.

(Decision 98/33)

Nigeria: HCFC phase-out management plan (stage II – fourth tranche) (UNDP, UNIDO and the Government of Italy)

138. The representative of the Secretariat introduced paragraphs 1 to 33 of document UNEP/OzL.Pro/ExCom/98/43.

139. One member said that, while she supported the proposal, subparagraph (c)(ii) of the draft recommendation should be amended to request UNIDO to report to the 99th meeting of the Executive Committee on the cessation of HCFC-22 use by Somotex Nigeria Limited. It was important to note that no further extensions of stages II and III of the HPMP for Nigeria were envisaged beyond 31 December 2027. Consequently, if any activities remained incomplete after that date, all unused funds associated with them should be returned to the Multilateral Fund.

140. Two members pointed out that stages II, III and IV of the HPMP and stage I of the KIP for Nigeria would be under way concurrently. One of them sought assurances that the country's national ozone unit was capable of implementing the four projects simultaneously and asked, with reference to paragraph 20 of the document, how it had been determined that US \$25,000 was enough of a deterrent to ensure that the ban on the import of HCFC-22-based equipment would be implemented by 2027.

141. In response, the representative of the Secretariat explained that the amount of approved funds to be withheld until the ban was enforced had been agreed in consultation with the lead implementing agency, taking into consideration established precedent and with the intention of ensuring that the ban was implemented as swiftly as possible without causing significant delays on account of the scale of funds withheld. The representative of UNDP said that the national ozone unit had the capacity to deliver all four projects at the same time and would receive assistance to that end from UNDP, UNIDO and the Governments of Italy and the United Kingdom of Great Britain and Northern Ireland.

142. The Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the third tranche of stage II of the HCFC phase-out management plan (HPMP) for Nigeria;
 - (ii) The commitment of the Government of Nigeria to ban, by 1 January 2027, the import and manufacture of HCFC-based equipment;
- (b) To note also:
 - (i) That two enterprises in air-conditioning manufacturing, for which conversion to an alternative with low global-warming potential had been approved, were temporarily using R-410A to maintain business viability;

- (ii) That the two enterprises had committed to ceasing the use of R-410A in air-conditioning manufacturing by 31 December 2026;
- (c) To request:
 - (i) UNDP to report to the 100th meeting on the status of implementation of the ban on the import of HCFC-22-based equipment;
 - (ii) UNIDO to report to the 99th meeting on the status of use of the interim technology described in subparagraph (b) and the cessation of HCFC-22 use by Somotex Nigeria Limited;
- (d) To approve the fourth and final tranche of stage II of the HPMP for Nigeria, and the corresponding 2026–2027 tranche implementation plan, in the amount of US \$1,610,472, plus agency support costs of US \$112,733, for UNDP, on the understanding that US \$25,000 of the agreed funding for the fourth tranche would be withheld by the Treasurer until UNDP had informed the Secretariat that the ban on the import and manufacture of HCFC-22-based equipment was being enforced;
- (e) To approve, on an exceptional basis, the extension of the implementation period for stage II and stage III of the HPMP to 31 December 2027, on the understanding that no further extensions would be approved; and
- (f) To request the Government of Nigeria, UNDP, UNIDO and the Government of Italy to submit project completion reports to the second meeting of 2028 for stage II and stage III of the HPMP.

(Decision 98/34)

Nigeria: HCFC phase-out management plan (stage IV – first tranche) (UNDP and the Government of the United Kingdom of Great Britain and Northern Ireland)

143. The representative of the Secretariat introduced paragraphs 34 to 70 of document UNEP/OzL.Pro/ExCom/98/43.

144. One member urged UNDP and the Government of Nigeria to strengthen enforcement of the country's ban on the import of HCFC-22-based equipment as swiftly as possible, promote refrigerant recovery and reuse, and support the transition to low-GWP technologies to reduce demand for HCFCs. Another member, in reference to paragraph 61 of the document, sought clarification regarding how the project management unit costs had been calculated.

145. The representative of the Secretariat explained that the project management unit costs had been agreed on the basis of the activities planned under the project and the human and financial resources required to coordinate their implementation among relevant stakeholders. The costs for a similar project had been used as a benchmark. Further details could be provided on a bilateral basis.

146. The Executive Committee decided:

- (a) To approve, in principle, stage IV of the HCFC phase-out management plan (HPMP) for Nigeria for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$8,162,962, consisting of US \$6,995,709, plus agency support costs of US \$489,699, for UNDP and US \$601,400, plus agency support costs of US \$76,154, for the Government of the United Kingdom of Great Britain and Northern Ireland, on the

understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;

- (b) To note the commitment of the Government of Nigeria to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) To deduct 97.21 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Nigeria and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage IV of the HPMP, contained in annex LIII to the present report;
- (e) To note that, upon completion of the end-user projects included in stage IV of the HPMP, UNDP would submit final reports on the implementation of those projects, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (f) That, to allow consideration of the final tranche of its HPMP, the Government of Nigeria should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
 - (ii) If Nigeria were intending to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (g) To approve the first tranche of stage IV of the HPMP for Nigeria, and the corresponding tranche implementation plan, in the amount of US \$4,135,490, consisting of US \$3,318,477, plus agency support costs of US \$232,293, for UNDP and US \$519,000, plus agency support costs of US \$65,720, for the Government of the United Kingdom of Great Britain and Northern Ireland.

(Decision 98/35)

Saint Kitts and Nevis: HCFC phase-out management plan (stage II – first tranche) (UNEP and UNIDO)

147. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/46.

148. One member, noting that the Secretariat's recommendations were in line with decision 74/50, nevertheless expressed his support for the proposal by the Government of Saint Kitts and Nevis and UNEP to request an additional allocation of US \$60,000 to support essential and core HCFC phase-out activities such as the establishment of the foundational infrastructure required for sustainable refrigerant management, the strengthening of enforcement mechanisms, capacity-building and certification for technicians, and operational recovery and recycling systems. The Committee should be mindful not to disadvantage the country, which had operated under difficult circumstances.

149. Another member asked about the feasibility of implementing the proposed activities in the allotted time frame, given that extensions had been needed for completion of stage I of the HPMP. He also wished to know whether an agreement on the funding for the project had been reached between the Secretariat and the implementing agency prior to the current meeting. Given that the country's consumption was already well below the baseline level for compliance, he questioned the need for the proposed additional allocation of US \$60,000.

150. The representative of the Secretariat said that the national ozone officer, who had been trained in March 2023, and the close collaboration between UNEP and the national ozone unit would help to ensure timely and effective implementation. Following extensive discussions, the Secretariat and the implementing agency had indeed come to an agreement on the amount proposed in the project document. She confirmed that there had been no consumption in 2024 and that in 2025 the consumption had been 0.04 ODP tonnes, which was 72 per cent below the compliance target for that year.

151. Some members said that they were in favour of the additional allocation, noting that countries had not only to achieve but also to maintain their compliance targets. The allocation would be used to fund recovery and recycling equipment, for example, which was costly, and to strengthen institutional and regulatory frameworks. The Committee should be careful not to punish countries that had achieved targets, as doing so could set a precedent that would discourage other countries from ambitious action.

152. Another member said that approving the additional funding would also set a precedent for countries that had not yet submitted their HPMP stages for achievement of the 2025 target and indicated that further discussion of the matter was required.

153. The Executive Committee agreed that interested parties would hold informal discussions on the matter in the margins of the meeting.

154. On the basis of those informal discussions, the Executive Committee did not agree to provide Saint Kitts and Nevis with an additional allocation of US \$60,000.

155. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Saint Kitts and Nevis for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$326,538, consisting of US \$233,700, plus agency support costs of US \$30,381, for UNEP and US \$57,300, plus agency support costs of US \$5,157, for UNIDO, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Saint Kitts and Nevis:
 - (i) To phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
 - (ii) To adopt a ban on the import of HCFC-based equipment by December 2027;
- (c) To note also that stage II of the HPMP includes funding for additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$100,000, plus agency support costs of US \$13,000, for UNEP;
- (d) To deduct 0.32 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

- (e) To approve the Agreement between the Government of Saint Kitts and Nevis and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in annex LIV to the present report;
- (f) That, to allow for consideration of the final tranche of its HPMP, the Government of Saint Kitts and Nevis should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
 - (ii) The expected annual HCFC consumption in Saint Kitts and Nevis for the period 2030–2040; and
- (g) To approve the first tranche of stage II of the HPMP for Saint Kitts and Nevis, and the corresponding tranche implementation plan, in the amount of US \$161,207, consisting of US \$108,900, plus agency support costs of US \$14,157, for UNEP, and US \$35,000, plus agency support costs of US \$3,150, for UNIDO.

(Decision 98/36)

South Sudan: HCFC phase-out management plan (stage II – first tranche) (UNEP and UNDP)

156. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/47.

157. One member, noting the instability in the country, asked whether the Secretariat and the implementing agency were confident that the project could be implemented under the current circumstances.

158. The representative of the Secretariat said that UNEP had indicated that there was currently positive momentum in the country, which would facilitate the implementation of stage II. According to UNEP, the currently stable national ozone unit had helped to improve cooperation with the customs authorities. The steering committee that had been established in the country and that acted as an advisor to the Government on matters relating to the Montreal Protocol provided active guidance.

159. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for South Sudan for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$384,422, consisting of US \$243,350, plus agency support costs of US \$31,636, for UNEP and US \$100,400, plus agency support costs of US \$9,036, for UNDP, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs and no servicing tail would be needed;
- (b) To note the commitment of the Government of South Sudan:
 - (i) To phase out HCFCs completely by 1 January 2030 and that HCFCs would not be imported after that date;
 - (ii) To establish regulatory measures to control intended emissions of refrigerant during installation, servicing and decommissioning of refrigeration and air-conditioning equipment during stage II of the HPMP;

- (c) To note also that stage II of the HPMP included funding for additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$100,000, plus agency support costs of US \$13,000, for UNEP;
- (d) To deduct 1.07 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (e) To approve the Agreement between the Government of South Sudan and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in annex LV to the present report; and
- (f) To approve the first tranche of stage II of the HPMP for South Sudan, and the corresponding tranche implementation plan, in the amount of US \$176,841, consisting of US \$92,350, plus agency support costs of US \$12,006, for UNEP, and US \$66,500, plus agency support costs of US \$5,985, for UNDP.

(Decision 98/37)

Thailand: HCFC phase-out management plan (stage III – first tranche) (World Bank)

160. The representative of the Secretariat introduced paragraphs 6 to 51 of document UNEP/OzL.Pro/ExCom/98/49.

161. One member, noting that the third tranche of stage II had not been requested, asked why the activities planned for that stage had been included in stage III rather than being completed under stage II and whether the amount of funding had remained the same. She wished to know more about the virtual-reality-based training, including whether it was more cost-effective than traditional in-person training. She also wondered whether the training institutions involved would be able to cover the software licensing fees and other costs once the funding period had ended.

162. Another member, referring to the incentive programme to replace HCFC-based room air-conditioning equipment, said that he wished to better understand the rationale for allowing the continued installation of chillers and other room air-conditioning equipment even though there existed a replacement scheme for such equipment. He suggested initiating the ban on the installation of new HCFC chillers and room air-conditioning equipment earlier than 1 January 2030 and raised concerns about the serviceability of those items after 2034, when the ban on the import of all HCFCs for servicing would enter into force. Lastly, he expressed concern about the liability of the Multilateral Fund should any issues arise with the training activities on the retrofitting of existing HCFC-based equipment with alternative refrigerants and suggested including in any decision the standard language on retrofits to address the issue.

163. The representative of the Secretariat said that the third tranche of stage II would not be requested, as the activities planned for that tranche had already been completed by 2025. Virtual-reality-based training was a new initiative for the training of technicians on ammonia-based systems. The World Bank considered the training to be a feasible way of avoiding the risks involved in using physical equipment for training purposes. After the initial funding, software licensing fees would be managed by the training institutions through resources outside the Multilateral Fund. The incentive programmes applied only to residential air-conditioning units, not to other air-conditioning equipment such as chillers. The World Bank had determined that 1 January 2030 was a feasible start date for the ban in the light of administrative requirements. The training on avoiding retrofitting with flammable refrigerants would be provided to service technicians and could apply to equipment that used HCFCs or any other refrigerant, in line with the country's strong regulations on the use of flammable refrigerants in high-rise buildings.

164. A representative of the World Bank said that the targets proposed regarding the number of technicians to be trained under the second tranche of stage II the HPMP had already been almost fully met. It had therefore been decided to handle the remaining training activities under the third tranche, expanding the training curricula to cover inverter technology. Virtual-reality-based training had been initiated by the industry and was already being used in some European countries. Its use simplified the training process, as it eliminated the need for clearances from various ministries regarding the safety of ammonia. Once the unit cost had been established, service technicians would be charged for participating in the mandatory training sessions, thereby ensuring a sustainable business model. The Thailand Refrigeration Association would also be involved in the training and would provide guidance.

165. The Executive Committee agreed to discuss the matter further in an informal group.

166. Subsequently, the Executive Committee decided:

- (a) To approve, in principle, stage III of the HCFC phase-out management plan (HPMP) for Thailand for the period from 2026 to 2034 for the complete phase-out of HCFC consumption, in the amount of US \$18,420,040, plus agency support costs of US \$1,289,403, for the World Bank, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Thailand to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) To deduct 410.00 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Thailand and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex LVI to the present report;
- (e) To note that, upon completion of the end-user project included in stage III of the HPMP, the World Bank would submit a final report on the implementation of the project, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (f) That, to allow for consideration of the third tranche of its HPMP, the Government of Thailand should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2033;
 - (ii) If Thailand were intending to have consumption during the period 2030–2033, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030;
- (g) That, to allow for consideration of the final tranche of its HPMP, the Government of Thailand should confirm whether to use remaining servicing tail consumption from 2034 onward and to provide an updated plan of action and modifications to its Agreement with the Executive Committee accordingly; and

- (h) To approve the first tranche of stage III of the HPMP for Thailand, and the corresponding tranche implementation plan, in the amount of US \$5,574,980, plus agency support costs of US \$390,249, for the World Bank.

(Decision 98/38)

Tunisia: HCFC phase-out management plan (stage III – first tranche) (UNIDO, UNEP and the Government of Italy)

167. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/51.

168. The Executive Committee decided:

Regarding stage II of the HCFC phase-out management plan

- (a) To approve, on an exceptional basis, and on the understanding that no further extension would be approved, the extension to 31 December 2027 of the completion date of stage II of the HCFC phase-out management plan (HPMP) for Tunisia;
- (b) To request the Government of Tunisia and UNIDO to submit a progress report on the implementation of all the remaining activities in the previously approved tranches and the work programmes associated with the final tranche of stage II of the HPMP, on a yearly basis through completion of the project, and the project completion report to the first meeting of the Executive Committee in 2028;

Regarding stage III of the HCFC phase-out management plan

- (c) To approve, in principle, stage III of the HPMP for Tunisia for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,331,109, consisting of US \$678,499, plus agency support costs of US \$47,495, for UNIDO and US \$185,500, plus agency support costs of US \$24,115, for UNEP and US \$350,000, plus agency support costs of US \$45,500, for the Government of Italy, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (d) To note the commitment of the Government of Tunisia to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (e) To deduct 12.88 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (f) To approve the Agreement between the Government of Tunisia and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex LVII to the present report;
- (g) To note that, upon completion of the end-user projects included in stage III of the HPMP, UNIDO would submit final reports on the implementation of those projects, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (h) That, to allow for consideration of the final tranche of the HPMP for Tunisia, the Government of Tunisia should submit:

- (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
- (ii) If Tunisia were intending to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (i) To approve the first tranche of stage III of the HPMP for Tunisia, and the corresponding tranche implementation plan, in the amount of US \$692,441, consisting of US \$201,478, plus agency support costs of US \$14,103, for UNIDO, US \$72,000, plus agency support costs of US \$9,360, for UNEP, and US \$350,000, plus agency support costs of US \$45,500, for the Government of Italy.

(Decision 98/39)

Turkmenistan: HCFC phase-out management plan (stage III – first tranche) (UNIDO)

169. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/52.

170. The Executive Committee decided:

- (a) To approve, in principle, stage III of the HCFC phase-out management plan (HPMP) for Turkmenistan for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$309,000, plus agency support costs of US \$21,630, for UNIDO, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Turkmenistan to phase out HCFCs completely by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) To deduct 2.21 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Turkmenistan and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex LVIII to the present report;
- (e) To note that, upon completion of the end-user demonstration project included in stage III of the HPMP, UNIDO would submit a final report on the implementation of the project, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (f) That, to allow for consideration of the final tranche of its HPMP, the Government of Turkmenistan should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;

- (ii) The expected annual HCFC consumption in Turkmenistan for the period 2030–2040; and
- (g) To approve the first tranche of stage III of the HPMP for Turkmenistan, and the corresponding tranche implementation plan, in the amount of US \$143,650, plus agency support costs of US \$10,056, for UNIDO.

(Decision 98/40)

B.2 New stage and tranche requests for Kigali HFC implementation plans, and a tranche request for an HFC-23 emission control plan

Argentina: Control of emissions of HFC-23 generated in the production of HCFC-22 at Frío Industrias Argentinas (fourth tranche) (UNIDO)

171. The project had been removed from the list of projects recommended for blanket approval, agenda item 8(c), for individual consideration under the present sub-item.

172. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/20.

173. One member was supportive of the Secretariat's recommendation but asked for clarification regarding the discrepancy between Argentina's HCFC-22 production and verified sales; the source of the R-404A involved in the accidental contamination of HCFC-22, noting that R-404A was a blend of two HFCs that were not produced in Argentina; plans for the contaminated material; and mechanisms in place to avoid contamination in the future. The representative of the Secretariat explained that the verification had been undertaken in line with the updated guidelines and standard format used for the verification of ODS production phase-out approved under decision 93/102. Accordingly, the verification had included both technical and financial verification. The financial verification had revealed a difference between the change in inventory from the beginning to the end of the year, the sales of HCFC-22 and verified production as a result of the contamination. The contaminated material had been set aside and would be destroyed using the enterprise's incinerator. Regarding the source of the R-404A, he said that the enterprise blended the R-404A on site. Finally, he noted that the enterprise lost money whenever such contaminations occurred and would be taking measures to avoid them.

174. The Executive Committee decided:

- (a) To note the progress report on the implementation of the second and third tranches of the project for the control of emissions of HFC-23 generated in the production of HCFC-22 at Frío Industrias Argentinas; and
- (b) To approve the fourth tranche of the project referred to in subparagraph (a) above, and the corresponding 2026–2027 tranche implementation plan, for Argentina in the amount of US \$81,477, plus agency support costs of US \$5,703, for UNIDO, on the understanding that, in line with subparagraph 8(c) of the Agreement between the Government of Argentina and the Executive Committee, the remaining amount of HFC-23 by-product for which funding could be requested at future meetings for destruction through the completion of the Agreement was 187,980 kg.

(Decision 98/41)

Belize: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNDP)

175. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/23.

176. One member, noting that the levels of maximum allowable consumption in the Agreement between the Government and the Executive Committee were already based on the corrected baseline that would be considered for approval by the Implementation Committee and the Meeting of the Parties, questioned whether it was necessary to refer in the decision to updating that maximum value. In the light of the low levels of consumption in 2024 and 2025, he suggested adding to the draft decision the text first used in decision 93/56(c).

177. The representative of the Secretariat explained that a request to revise the baseline had been submitted and was pending approval by the Meeting of the Parties. The Agreement could then be revised in accordance with the approved baseline.

178. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Belize for the period 2026–2029 to reduce HFC consumption by 70.8 per cent of the country's baseline (10 per cent of the country's proposed revised baseline), in the amount of US \$178,540, consisting of US \$110,600, plus agency support costs of US \$14,378, for UNEP and US \$47,400, plus agency support costs of US \$6,162, for UNDP;
- (b) To note that the Government of Belize had submitted to the Ozone Secretariat a request for revision of the country's HFC baseline for consideration by the Implementation Committee;
- (c) To note also:
 - (i) That the Government of Belize would continue to monitor its HFC consumption to understand the extent to which reported consumption in baseline years was representative of the local market's needs and to assess what future HFC demand would be, and would provide that analysis when submitting the second tranche of its KIP;
 - (ii) That, on the basis of the information provided in subparagraph (c)(i) above, the maximum allowable consumption limits for the remaining years of stage I of the KIP, as contained in Appendix 2-A to the Agreement between the Government of Belize and the Executive Committee, would be revised when the Committee considered the second tranche of the KIP;
- (d) To approve the draft Agreement between the Government of Belize and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LIX to the present report;
- (e) To request the Fund Secretariat, in the event that the country's baseline was revised, to update Appendix 2-A of the Agreement to include the revised figures for the Montreal Protocol HFC consumption limits and the maximum allowable consumption for stage I of the KIP, and to notify the Executive Committee of the resulting levels of maximum allowable consumption, with any necessary adjustments to be made, at the 100th meeting; and
- (f) To approve the first tranche of stage I of the KIP for Belize, and the corresponding tranche implementation plan, in the amount of US \$106,220, consisting of US \$61,100, plus agency support costs of US \$7,943, for UNEP, and US \$32,900, plus agency support costs of US \$4,277, for UNDP.

(Decision 98/42)

Bhutan: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNDP)

179. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/25.

180. One member asked the Secretariat to explain the cause of the significant year-by-year variation in consumption. He also sought information on whether the country could commit to a lower target, despite the variability.

181. The representative of the Secretariat explained that the servicing demand for HCFCs had been decreasing since the ban on HCFC-based equipment was implemented in 2013. HFC consumption, by contrast, was extremely low, which meant that even small variations in demand had a significant impact on consumption. The country also had virtually no HFC consumption in centralized systems and condensing units used in commercial refrigeration. In the light of a March 2026 directive to strengthen food safety standards, however, an increase in consumption was likely. The Secretariat had discussed the targets extensively with UNEP and considered them to be appropriate in the light of the variability in consumption and national circumstances, including the newly approved safety directive and limited cold-chain infrastructure.

182. The member proposed adding to the draft decision the text first used in decision 93/56(c).

183. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Bhutan for the period 2026–2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$152,550, consisting of US \$85,000, plus agency support costs of US \$11,050, for UNEP and US \$50,000, plus agency support costs of US \$6,500, for UNDP;
- (b) To note the commitment of the Government of Bhutan to ban the import of HFC-based domestic refrigerators and R-410A-based residential air-conditioning units by 1 January 2029;
- (c) To note also:
 - (i) That the Government of Bhutan would continue to monitor its HFC consumption to understand the extent to which reported consumption in baseline years was representative of the local market's needs and to assess what future HFC demand would be, and would provide that analysis when submitting the second tranche of its KIP;
 - (ii) That, on the basis of the information provided in subparagraph (c)(i) above, the maximum allowable consumption limits for the remaining years of stage I of the KIP, as contained in Appendix 2-A to the Agreement between the Government of Bhutan and the Executive Committee, would be revised when the Committee considered the second tranche of the KIP;
- (d) To approve:
 - (i) The Agreement between the Government of Bhutan and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LX to the present report; and

- (ii) The first tranche of stage I of the KIP for Bhutan, and the corresponding tranche implementation plan, in the amount of US \$91,530, consisting of US \$31,000, plus agency support costs of US \$4,030, for UNEP and US \$50,000, plus agency support costs of US \$6,500, for UNDP.

(Decision 98/43)

Plurinational State of Bolivia: Kigali HFC implementation plan (stage I – second tranche) (UNIDO and UNEP)

184. The representative of the Secretariat introduced paragraphs 27 to 67 of document UNEP/OzL.Pro/ExCom/98/26.

185. One member noted the uncommon practice that the Secretariat had suggested adding incremental operating costs for the project, even though such costs had not been requested by the implementing agency. He also noted, however, that the Secretariat's review had resulted in significant reductions to the incremental capital costs requested. He asked why the Secretariat had used the average consumption over the period 2023–2025 to calculate the incremental operating costs, when decision 96/52 specifically stated, with regard to pre-blended polyols in the PU foam sector, that assistance would be calculated on the basis of the consumption of HFCs sold domestically for use by PU foam enterprises from 2022 to 2024.

186. Another member, recalling several foam projects in Latin America in which constraints had prevented the transition to hydrofluoroolefins (HFOs), resulting in the protracted use of high-GWP solutions, asked on what basis the Secretariat was confident that such a situation would not be repeated.

187. Another member, noting that the baseline had been inflated by the stockpiling that had occurred during the baseline years, asked if the maximum allowable limits could be further revised to account for the stockpiling. She also wished to confirm whether the data issue related to calculating the embedded HFC component in imported polyol systems had been resolved and the data disaggregated for future reports, as captured in table 3 of the document.

188. The representative of the Secretariat said that, in accordance with decision 96/52, the data for the period 2022–2024 should be used to determine the maximum level of funding for polyols. Given the precipitous drop in consumption seen from 2022 to 2025, caused by the use of stockpiles, the Secretariat had decided to use the data from 2023–2025 as the baseline. The implementing agency had informed the Secretariat that the number of HFO suppliers in the region had increased and that efforts were being made to ensure a stable supply. Noting the spike in consumption beginning in 2022, the Secretariat had assessed five different methods for estimating the baseline, all of which had yielded a similar servicing sector consumption of 200 to 300 metric tonnes, indicating that there was no impact on funding despite the 2022 distortion.

189. The Secretariat had also considered the reduction targets when assuming a lower baseline using the average consumption from 2020 to 2025 and had found that a 10 per cent reduction would result in a maximum allowable consumption in 2029 that would be higher than the current maximum allowable consumption, as the country had already agreed to a 15 per cent reduction from the established baseline. The Secretariat had therefore found the reduction of 15 per cent to be reasonable.

190. One member said that he preferred to use the period 2022–2024 as the reference years for the project to phase-out HFC contained in imported pre-blended polyols, so as to abide by decision 96/52, even though doing so would result in a slight increase in the incremental operating costs. Another member said that she was satisfied with the Secretariat's explanation of its methodology for the reference-years calculation and preferred to maintain the Secretariat's current proposal.

191. Another member asked to hear the views of the implementing agency on the availability of HFOs, noting that the discussion of the subject contained in the document pertaining to agenda item 9, Updated report on the issue of alternatives in polyurethane foam manufacturing with a focus on small and medium-sized enterprises, in particular for spray and insulating foam applications (decision 96/53(c)), was more nuanced than that in document UNEP/OzL.Pro/ExCom/98/26.

192. A representative of UNIDO said that, in recent years, the HFO foam supply chain had improved in Asia and Latin America. The performance of HFO applications had also improved, in particular for panels and spray foams. Even though the Plurinational State of Bolivia did not have a local systems house, the Government had made proposals to monitor the situation closely.

193. A member suggested postponing the decision on the KIP until after agenda item 9 had been discussed, as the subject of HFOs and foam in general would also be addressed in that discussion. Another member said that the training activities regarding flammable refrigerants would also require further discussion.

194. The Executive Committee agreed that interested parties would hold informal discussions on the matter in the margins of the meeting.

195. Subsequently, the Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan (KIP) for the Plurinational State of Bolivia;
 - (ii) That the average amount of HFCs contained in imported pre-blended polyols during the 2023–2025 period was 35,527 CO₂-equivalent tonnes;
 - (iii) That the second tranche of stage I of the KIP included funding for a plan for the complete elimination of HFCs contained in imported pre-blended polyols in the polyurethane foam sector (foam sector plan), in the amount of US \$146,790, plus agency support costs of US \$19,083, for UNIDO;
 - (iv) The commitment of the Government of the Plurinational State of Bolivia to ban the imports and/or the use of HFCs, both pure and contained in pre-blended polyols, by the time the final foam manufacturing plant had been converted to a non-HFC technology and no later than 1 January 2030;
 - (v) That the Fund Secretariat had updated the Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee for stage I of the KIP, as contained in annex LXI to the present report, specifically paragraph 2 and Appendices 1-A and 2-A, to reflect the inclusion of the foam sector plan and the accordingly revised funding level; and paragraph 17, which had been added to indicate that the updated Agreement superseded that approved at the 97th meeting in decision 97/17;
 - (vi) That 35,527 CO₂-equivalent tonnes would be deducted from the remaining eligible consumption for HFCs contained in imported pre-blended polyols; and
- (b) To approve the second tranche of stage I of the KIP for the Plurinational State of Bolivia, and the corresponding 2026–2029 tranche implementation plan, in the amount of

US \$277,178, consisting of US \$225,290, plus agency support costs of US \$29,288, for UNIDO and US \$20,000, plus agency support costs of US \$2,600, for UNEP.

(Decision 98/44)

Brazil: Kigali HFC implementation plan (stage I – first tranche) (UNDP, UNIDO and the United Kingdom of Great Britain and Northern Ireland)

196. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/28.

197. In the ensuing discussion, one member said that the project represented a robust approach that would enable Brazil to meet and probably exceed the 10 per cent reduction target in 2029. There were a number of interesting sub-projects in the proposal, although it might have been expected that a country with the manufacturing stature of Brazil would have included more projects in the manufacturing sectors in stage I of the KIP. The proposed bans on HFC-134a in domestic refrigeration manufacture and of R-410A in residential air-conditioning manufacture represented a strong commitment from Brazil with little assistance from the Multilateral Fund, although further efforts could be made to tackle the refrigeration and air-conditioning sector. Additional questions related to how the additional 2 per cent that Brazil was committing to phase out from its baseline would be accounted and whether it might be too early for Brazil to submit stage II of the KIP before 2029.

198. Another member raised a number of questions related to the project, including whether the targets in the proposal to phase down 10 per cent of Brazil's HFC baseline by 2029 and 12 per cent by 2032 were realistic or whether it would be preferable to have some lower targets for stage I; what criteria were used to select the three enterprises chosen for conversions in the industrial refrigeration manufacturing sector, and how that approach fitted into the overall sector-wide approach for conversions; the mode of funding of the conversions in relation to their cost-effectiveness; what low-GWP alternatives were being considered in the mobile air-conditioning feasibility study; and how the demonstration of split R-290-based air-conditioning units would be implemented in a safe manner. Further questions were raised by another member about the factors behind the increased consumption of HFCs and about the modalities of the co-financing mobilized by the Government of Brazil for implementation of the KIP.

199. The representative of the Secretariat responded to the issues raised. Regarding the targets for 2029 and 2032 and the projection used to estimate the business-as-usual scenarios, he drew attention to paragraphs 40 to 42 of document UNEP/OzL.Pro/ExCom/98/28, which explained the methodology adopted to calculate the scenarios. The Secretariat had made some adjustments to the business-as-usual scenario presented by UNDP, taking into account data on the actual consumption of 2025, which had become available at the time of review, as well as more conservative growth rate assumptions. The analysis had indicated that in 2029 it would be difficult for the country to achieve a 10 per cent reduction, although the Government of Brazil had then committed to an additional 2 per cent reduction in 2032. Regarding the constitution of the manufacturing sectors, specifically the industrial refrigeration sector, the enterprises included in the project represented a small proportion of total consumption. The demonstration projects in industrial refrigeration aimed to engage the sector and gather further data to enable a more comprehensive intervention in stage II, noting that the large variety of equipment and applications would make the sector difficult to address. Regarding the use of flammable refrigerants, measures had been taken to ensure safe charging and handling of those materials. The feasibility study for the mobile air-conditioning sector, with a secondary R-290-based system, would be used in stage II if successful. The room air-conditioning demonstration projects based on R-290 would be carried out in a range of public buildings rather than schools. The demonstrations were of particular importance in Brazil, as the industry had converted to HFC-32 but the Government considered that a transitional solution and aimed to engage the manufacturing enterprises as part of the next step. Efforts would also be made to track unidentified consumption through working with local institutions. The representative of the Secretariat provided further information regarding the deduction of 10 per cent of the baseline from the starting point, which was the amount that was being funded; the

additional 2 per cent that the Government had agreed to undertake had not been deducted from the starting point. The implication of that for future funding scenarios had yet to be decided. Finally, the representative of the Secretariat provided information on the modalities of co-financing under the project.

200. The Executive Committee agreed that interested members should discuss the matter further in a small group.

201. Subsequently, the representative of the Secretariat reported that it had been agreed that one activity related to the procurement of 160 room air-conditioning units would be replaced by technical assistance activities for exploring technology options in the room air-conditioning sector, including workshops, information exchange visits, a market study and an equipment performance study. Additional clarifications had also been provided on the monitoring activity related to training and certification.

202. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Brazil for the period 2026–2032 to reduce HFC consumption by 10 per cent of the country's baseline by 2029 and 12 per cent by 2032, in the amount of US \$28,452,729, consisting of US \$20,237,984, plus agency support costs of US \$1,416,659, for UNDP, US \$3,852,884, plus agency support costs of US \$269,702, for UNIDO and US \$2,401,351, plus agency support costs of US \$274,149, for the Government of the United Kingdom of Great Britain and Northern Ireland;
- (b) To note the commitment of the Government of Brazil to ban:
 - (i) The use of HFC-134a in the manufacturing of domestic refrigeration equipment by 1 January 2030;
 - (ii) The manufacturing and import of residential air-conditioning equipment containing R-410A by 1 January 2030;
 - (iii) The manufacturing and import of self-contained commercial refrigeration equipment containing HFCs under a capacity to be determined through the implementation of the light commercial refrigeration project by 1 January 2033;
- (c) To note also:
 - (i) That 7,289,768 CO₂-equivalent tonnes of HFCs would be deducted from the starting point for sustained aggregate reductions in HFC consumption to be established on the basis of guidance provided by the Executive Committee;
 - (ii) That an additional 15,266 CO₂-equivalent tonnes of HFCs related to the conversion of the remaining products from Refrisat would be deducted from the starting point for sustained aggregate reductions in HFC consumption to be established on the basis of guidance provided by the Executive Committee;
 - (iii) That upon completion of the end-user projects included in stage I of the KIP, UNDP and UNIDO would submit final reports on the implementation of those projects, including the HFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
 - (iv) That approval of stage I of the KIP did not preclude Brazil from submitting, as early as 2029, a proposal to achieve a reduction in HFCs beyond that addressed in stage I of the KIP;

- (v) That the Government of Brazil would continue to monitor its HFC consumption and analyse the market demand for HFCs, and would provide that analysis for information purposes only, when submitting the second tranche of stage I of the KIP;
- (vi) That, on the basis of the analysis mentioned in subparagraph (c)(v) above and additional analysis included in the proposal of stage II of the KIP, and taking into account the reduction targets agreed under the Kigali Amendment as well as country-specific circumstances, the possibility of achieving more ambitious reduction targets would be considered in the context of the proposal for stage II of the KIP for Brazil;
- (d) To request the Government of Brazil and UNDP to submit, as part of the progress report submitted with the requests for each future tranche, the list of enterprises in the light commercial refrigeration sector assisted by the Multilateral Fund under stage I of the KIP, including their eligibility status, HFC consumption phased out and technologies adopted;
- (e) To approve:
 - (i) The Agreement between the Government of Brazil and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXII to the present report; and
 - (ii) The first tranche of stage I of the KIP for Brazil, and the corresponding tranche implementation plan, in the amount of US \$9,394,158, consisting of US \$6,088,040, plus agency support costs of US \$426,163, for UNDP, US \$1,566,337, plus agency support costs of US \$109,644, for UNIDO and US \$1,080,607, plus agency support costs of US \$123,367, for the Government of the United Kingdom of Great Britain and Northern Ireland.

(Decision 98/45)

Ecuador: Kigali HFC implementation plan (stage I – second tranche) (UNIDO)

203. The representative of the Secretariat introduced paragraphs 24 to 67 of document UNEP/OzL.Pro/ExCom/98/34.

204. Responding to a question from a member about the availability of sufficient HFOs in the country to enable the proposed sector-wide conversion to HFO-based pre-blended polyol systems across all applications, the representative of the Secretariat said that the Secretariat had held extensive discussions with UNIDO on the technology selection and received reassurance that there would be adequate continuous supplies of HFOs. Another member stated that the improvement in supply of imported HFO-based polyol systems was a major factor in avoiding the problems that had been faced by other countries in the region that had attempted domestic formulation.

205. The Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan (KIP) for Ecuador;
 - (ii) That the average amount of HFCs contained in imported pre-blended polyols during the 2022–2024 period was 96,263 CO₂-equivalent tonnes;

- (iii) That stage I of the KIP included funding for the plan for the complete elimination of HFCs contained in imported pre-blended polyols in the polyurethane foam sector (foam sector plan), in the amount of US \$424,950, plus agency support costs of US \$29,746, for UNIDO;
 - (iv) The commitment of the Government of Ecuador to ban the imports and/or use of HFCs, both pure and contained in pre-blended polyols, by the time the final foam manufacturing plant had been converted to a non-HFC technology and no later than 1 January 2030;
 - (v) That the Fund Secretariat had updated the Agreement between the Government of Ecuador and the Executive Committee for stage I of the KIP, as contained in annex LXIII to the present report, specifically paragraph 2 and Appendices 1-A and 2-A, to reflect the inclusion of the foam sector plan and the accordingly revised funding level; and paragraph 17, which had been added to indicate that the updated Agreement superseded that reached at the 97th meeting in decision 97/17;
 - (vi) That 96,263 CO₂-equivalent tonnes of HFCs would be deducted from the remaining eligible consumption for HFCs contained in imported pre-blended polyols; and
- (b) To approve the second tranche of stage I of the KIP for Ecuador, and the corresponding 2026–2028 tranche implementation plan, in the amount of US \$789,364, plus agency support costs of US \$55,255, for UNIDO, on the understanding that UNIDO would include, as part of the progress report on the implementation of the second tranche of the KIP, an update on progress in implementing the recommendations contained in the verification report submitted to the 98th meeting.

(Decision 98/46)

Mexico: Kigali HFC implementation plan (stage I – second tranche) (UNIDO, UNDP and UNEP)

206. The representative of the Secretariat introduced paragraphs 20 to 54 of document UNEP/OzL.Pro/ExCom/98/39.

207. In the ensuing discussion, there was appreciation for the further work of the implementing agency, the Government of Mexico and the Secretariat on the present project, given the substantial work that had been undertaken based on the availability of additional data for 2025. One member recalled that, during discussion of the matter by the Executive Committee at its 97th meeting, it had been mentioned that consumption in 2024 had been unusually low owing to administrative issues. The information before the present meeting, however, indicated that consumption had continued to decrease in 2025 despite administrative improvement. More information was needed on the reasons behind that trend, the particular HFCs involved, and the quota that was issued by the country, in CO₂-equivalent tonnes. Given that trend, and the reported 2025 consumption of around 40 million tonnes, clarification was sought on how the agency had arrived at a 2029 estimate of about 56 million tonnes and what the envisioned role of the quota system in regulating the market was. The member also requested that future documents avoided use of the vague term “gender”, and more specifically defined the actual activities promoting women’s economic empowerment.

208. Another member expressed appreciation for the additional commitment that had been made by the Government of Mexico in the light of the updated and recent consumption data, while seeking clarification of why the additional reduction agreed was not reflected, in the recommendation, in a corresponding deduction from the starting point. In that regard, the Secretariat might consider a more consistent approach

in putting forward deductions from the starting point in instances where additional reductions extended beyond 10 per cent.

209. Responding to the matters raised, the representative of the Secretariat first noted that, with regard to the trends during the period 2023–2025, the data indicated that, while consumption had increased in metric tonnes, it had decreased in CO₂-equivalent tonnes. The main reason for that had been the substitution of R-410A mostly by R-454B, leading to a reduction in CO₂-equivalent tonnes of consumption. In addition, it was possible that there was continuing use of the large import that had occurred in 2022 and that importers would resume imports in future years once that stock had been depleted. On the matter of the quota system, the quota was being used in 2027 and 2028 to achieve intermediate reductions, although the levels of maximum allowable consumption were under discussion. He provided further details on the methodology used to estimate reference consumption for reductions, which meant that the Agreement was basically new. In addition, as indicated in the Agreement, 27.7 per cent was being deducted from the starting point; that information could be added to the recommendation for consistency and clarity.

210. The representative of UNIDO said that one of the priorities of the project had been to strengthen the quota system. Recent limits that had been introduced, as well as further institutional strengthening under the KIP, and digitization of the quota allocation process had reduced the administrative delays that had been a factor behind distorted import behaviours and consumption data, enabling faster and more transparent allocation of quotas. Consequently, quota allocation in coming years could respond to validated market demand rather than the legal ceiling.

211. The Executive Committee agreed that interested parties would hold informal discussions on the matter in the margins of the meeting, including on the text of the decision.

212. Subsequently, the Executive Committee decided:

(a) To note:

- (i) The progress report on the implementation of the first tranche of stage I of the Kigali HFC implementation plan (KIP) for Mexico, including the information provided by the Government of Mexico, in line with decision 93/68(c)(vi), on the monitoring of HFC consumption to understand the extent to which consumption reported in the baseline years was representative of the local market's needs assessment of future demand;
- (ii) The commitment of the Government of Mexico to reduce HFC consumption by 10 per cent of the country's baseline by 2027, 20 per cent by 2028 and 30 per cent by 2029;
- (iii) That the Government of Mexico remained committed to further strengthening its quota and licensing system as a mechanism to harness the progressive reduction of HFC consumption in line with the actual needs of its user sectors;
- (iv) That 23,094,799 CO₂-equivalent tonnes of HFCs would be deducted from the starting point for sustained aggregate reductions in HFC consumption to be established on the basis of guidance provided by the Executive Committee;

(b) In the light of the information referred to in subparagraph (a) above, to approve:

- (i) The Agreement between the Government of Mexico and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXIV to the present report;

- (ii) The second tranche of stage I of the KIP for Mexico, and the corresponding 2026–2027 tranche implementation plan, in the amount of US \$6,507,851, consisting of US \$3,789,551, plus agency support costs of US \$265,269, for UNIDO, US \$2,053,265, plus agency support costs of US \$143,729, for UNDP and US \$227,795, plus agency support cost of US \$28,242, for UNEP, on the understanding that the Treasurer would transfer the approved funds associated with the UNDP tranche only upon confirmation by the Secretariat that UNDP had signed the contracts with the two systems houses involved in the project and had submitted the first list of eligible downstream users included in the project, along with their HFC consumption; and
- (c) To request the Government of Mexico and UNDP, in line with decision 96/52(d), to provide the best available data on exports of HFCs contained in pre-blended polyols for the years 2022–2024 along with the submission of the next tranche request.

(Decision 98/47)

Namibia: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNIDO)

213. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/41.

214. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Namibia for the period 2026–2029 to reduce HFC consumption by 15.0 per cent of the country's baseline, in the amount of US \$367,250, consisting of US \$195,000, plus agency support costs of US \$25,350, for UNEP and US \$130,000, plus agency support costs of US \$16,900, for UNIDO;
- (b) To note the strong commitment of the Government of Namibia to support reductions in HFC consumption in advance of the Montreal Protocol targets;
- (c) To approve:
 - (i) The Agreement between the Government of Namibia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXV to the present report; and
 - (ii) The first tranche of stage I of the KIP for Namibia, and the corresponding tranche implementation plan, in the amount of US \$220,350, consisting of US \$113,000, plus agency support costs of US \$14,690, for UNEP and US \$82,000, plus agency support costs of US \$10,660, for UNIDO.

(Decision 98/48)

Nigeria: Kigali HFC implementation plan (stage I – updated) (UNDP, UNIDO, UNEP and the Government of Italy)

215. The representative of the Secretariat introduced paragraphs 71 to 171 of document UNEP/OzL.Pro/ExCom/98/43 and said that, since the issuance of the document, the Secretariat had received information from a member indicating that the enterprise Koolboks Limited, which had been included in the KIP, was already in receipt of funding from the French Facility for Global Environment (FFEM) to establish a manufacturing and assembly line using R-600a and that the Multilateral Fund funding

had been requested for non-conversion activities. The information had not been available to the Secretariat during project review. Following a request for clarification, UNIDO had informed the Secretariat that the Government of Nigeria had withdrawn the Koolboks project, valued at US \$122,900, from the submission. In the light of the new information, the total funding for stage I of the updated KIP had been recalculated at US \$11,244,052, while the reduction in consumption from the revised baseline remained unchanged. The funding amounts in the draft recommendation and Agreement would be updated to reflect the revision.

216. During the ensuing discussion, one member said that, following an exchange with Koolboks, it had become apparent that the Multilateral Fund funding had been earmarked for reconditioning activities that were entirely different from those presented in the project document and were not compatible with needs on the ground. The document also contained no mention of the fact that Koolboks had received FFEM funding, which raised the issue of possible double funding and broader concerns about the accuracy and reliability of project proposals submitted to the Executive Committee. While the incorrect information had been detected in the case of Koolboks, there was potential for similar cases to slip under the Committee's radar. Accordingly, the Committee should, at an upcoming meeting, have an in-depth discussion about ways to strengthen the project preparation process in order to prevent such situations from arising in the future.

217. Two members said that removing Koolboks from the KIP was the right course of action, while a third said that he would appreciate a description of any changes needed in the draft recommendation and of the procedures in place to verify enterprises and lines included in project proposals. An explanation of why the implementing agencies had failed to identify the issue with Koolboks and of the meaning of the term "prudent buffer" in paragraph 118 of the document would also be welcome.

218. The representative of the Secretariat said that the aim of the updated stage I of the KIP was to reduce HFCs by 16.85 per cent from the revised baseline by 2029. The term "prudent buffer" referred to the fact that the 16.85 per cent reduction would enable the country to achieve the 10 per cent reduction required under the Montreal Protocol. Regarding the changes to the draft recommendation, the funding amounts would be amended to reflect the removal of Koolboks, while other information, including the deduction from HFC consumption eligible for funding, would remain the same. Another representative of the Secretariat explained that, during project review processes, the Secretariat requested details of sources of co-financing and of ongoing initiatives, including the extent to which they complemented project activities and whether there was any duplication. The Secretariat also performed due diligence by checking whether enterprises were already assisted by Multilateral Fund funding. Despite accessing a range of sources, including company websites, where possible, it was reliant on information provided by implementing agencies.

219. The representative of UNDP said that the project management unit in Nigeria provided significant support for the implementation and monitoring of various activities. The representative of UNIDO said that the project management unit cooperated actively with the national ozone unit and other stakeholders. When selecting project beneficiaries, UNIDO applied several layers of checks and applied strict procurement rules. Prior to any disbursement of funds, it carried out a physical inspection of company premises.

220. Several members voiced concern over the information that had come to light following the issuance of the project document. One member, noting that the document contained numerous references to Koolboks, asked whether simply changing the dollar amounts in the draft recommendation was sufficient. He also asked what would have happened if a member had not flagged the issue with Koolboks and whether the project preparation process would have self-corrected prior to the disbursement of funds. Another member said that the removal of Koolboks needed to be explained in the document so that costs were not inadvertently deducted from a different project component.

221. The representative of UNIDO said that the project management unit, the national ozone unit, the UNIDO field office and several consultants had been involved in the development of the project. Discussions with Koolboks had indicated that the enterprise intended to implement a conversion project, and a physical

inspection of its facility had uncovered no evidence to the contrary. Once it had become known that the Multilateral Fund funding was not destined for conversion activities, UNIDO had immediately proposed the withdrawal of Koolboks from the KIP.

222. The representative of the Secretariat said that it was an unusual situation, and it would be required that the Secretariat issue a revised project document reflecting the new information, including a revised draft recommendation and Agreement. In response to a question, the Secretariat informed that in the absence of the information received, this would perhaps have been identified and corrected during the review of the progress report on the implementation of the work programme associated with the first tranche.

223. Two members asked when the Committee could expect to receive the revised version. A third member said that the revision should capture the concerns expressed about the project preparation process and asked whether any money had been transferred to Koolboks as part of the funds disbursed under the first tranche. Two members requested further details of the physical inspection conducted by UNIDO at the Koolboks facility.

224. The representative of the Secretariat confirmed that Koolboks had not received any of the funds disbursed under the first tranche and that the removal of the enterprise from the KIP would not entail an adjustment of the tonnage levels on account of the sectoral phase-out approach described in paragraph 143 of the project document.

225. Given that there were a number of outstanding issues, the Executive Committee agreed that interested parties would consult with the Secretariat and the implementing agencies in the margins of the meeting.

226. Following the informal discussions, the representative of the Secretariat said that the Secretariat had produced revised document UNEP/OzL.Pro/ExCom/98/43/Rev.1, which reflected the additional information received about Koolboks.

227. Subsequently, the Executive Committee decided:

- (a) To approve, in principle, the updated stage I of the Kigali HFC implementation plan (KIP) for Nigeria for the period 2024–2030 to reduce HFC consumption by 16.85 per cent of the country's baseline by 2029, in the amount of US \$12,080,756, consisting of US \$8,265,843, plus agency support costs of US \$578,609, for UNDP, US \$2,151,209, plus agency support costs of US \$150,585, for UNIDO, US \$327,000, plus agency support costs of US \$42,510, for UNEP and US \$500,000, plus agency support costs of US \$65,000, for the Government of Italy;
- (b) To note that the funding specified in subparagraph (a) above included the funding for the first tranche of stage I of the KIP approved under decision 95/69(e);
- (c) To note also the commitment of the Government of Nigeria to implement the following regulatory measures to support the complete phase-out of HFCs in the residential air-conditioning and domestic refrigeration manufacturing sectors:
 - (i) A ban on the import and manufacture of residential air-conditioning equipment based on R-410A upon completion of the conversion projects included in stage I of the KIP, no later than June 2030;
 - (ii) A ban on the import and manufacture of domestic refrigeration equipment based on HFC-134a upon completion of the conversion projects included in stage I of the KIP, no later than June 2030;

- (iii) A ban on the import and manufacture of foams containing HFCs once the conversion project in the foam sector under stage I of the KIP had been completed, no later than 1 January 2028;
- (d) To note further that, subsequent to the issuance of document UNEP/OzL.Pro/ExCom/98/43, additional information had been made available whereby it was determined that the enterprise Koolboks was not eligible for funding, and that the enterprise's consumption would be phased out as part of the domestic refrigeration manufacturing sector plan;
- (e) To deduct 4,210,857 CO₂-equivalent tonnes of HFCs from the starting point for sustained aggregate reductions in HFC consumption to be established on the basis of guidance provided by the Executive Committee;
- (f) To note that, upon completion of the end-user projects included in stage I of the KIP, UNDP and the Government of Italy would submit final reports on the implementation of those projects, including the HFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (g) To invite the Government of Nigeria, on an exceptional basis, to submit, by the 100th meeting of the Executive Committee, a proposal to convert any remaining eligible enterprises manufacturing residential air-conditioning units using R-410A and domestic refrigerators using HFC-134a, on the understanding that:
 - (i) The maximum remaining consumption of R-410A eligible for funding was 132,055 CO₂-equivalent tonnes (63.26 metric tonnes);
 - (ii) The maximum remaining consumption of HFC-134a eligible for funding was 98,985 CO₂-equivalent tonnes (69.22 metric tonnes);
- (h) To approve:
 - (i) The second tranche of updated stage I of the KIP for Nigeria, and the corresponding tranche implementation plan, in the amount of US \$2,541,355, consisting of US \$909,206, plus agency support costs of US \$63,644, for UNDP, US \$1,201,874, plus agency support costs of US \$84,131, for UNIDO and US \$250,000, plus agency support costs of US \$32,500, for the Government of Italy; and
 - (ii) The Agreement between the Government of Nigeria and the Executive Committee for the reduction in consumption of HFCs in accordance with the updated stage I of the KIP, contained in annex LXVI to the present report.

(Decision 98/49)

Oman: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNIDO)

228. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/44.

229. A number of members expressed their disappointment at the lack of ambition shown in the proposal, which was quite similar to the proposal that had been put forward at the previous meeting. Despite the drop in HFC consumption seen in the data for 2025, the current proposal was still based on very high HFC consumption.

230. Some members noted that, while there was a small dip below the estimated interim baseline, there would still be room for about 25 per cent growth up to the proposed maximum level of consumption. Although they were not opposed to moving ahead with projects in advance of a baseline being fully established, they were not convinced that the project in question should go forward as currently structured. Given that the first compliance target for Oman was set for 2028, it was not clear to them why the project could not wait.

231. A few members noted with appreciation the fact that early action was being taken by an Article 5, group 2 country and that the Government had made a commitment not to use the high-ambient-temperature exemption. One member noted with concern, however, the lack of female technicians; she said that more efforts should be made to strengthen gender equality policies.

232. Another member requested further information on the activities considered under the local installation and assembly and servicing subsectors and asked why there was a higher cost-effectiveness for local installation and assembly when the activities seemed quite similar to those in servicing.

233. The representative of the Secretariat noted that, while the activities proposed under the local installation and assembly sector resembled those in the servicing sector, they demanded considerably greater effort to achieve the desired impact. That was owing to the complexity of training engineers in equipment design, installation and assembly. The project was aimed at phasing out HFC consumption in the sector, and the reduction was expected to be sustainable, as regulatory measures would be introduced to prohibit the use of HFC-134a and R-410A for charging commercial and industrial air-conditioning equipment installed on site.

234. One member said that the proposal should not be a source of disappointment and was actually very ambitious. Oman and other Article 5, group 2 countries currently faced multiple challenges, in the light of high ambient temperatures and the lack of technology available in various sectors. The proposed 16.5 per cent reduction in consumption was commendable, given that only a 10 per cent reduction was required. With regard to the issue of female technicians, as raised by one member, the legislation in Oman and in all Gulf Cooperation Council countries provided for a very high level of equality and participation for women across various sectors, and many women took on higher positions and levels of responsibility. Women should not be forced, however, to work in areas that they did not wish to work in. Even in developed countries where relevant legislation had been in place for more than 50 years, the rate of women's participation remained very low. It was therefore unreasonable to expect high participation in developing countries. He urged members to choose their words carefully and to recognize the proposal as a success story in an Article 5, group 2 country.

235. The Executive Committee agreed that interested parties would hold informal discussions on the matter in the margins of the meeting.

236. Subsequently, the Committee decided to defer consideration of stage I of the Kigali HFC implementation plan for Oman to a future meeting.

(Decision 98/50)

Thailand: Kigali HFC implementation plan (stage I – first tranche) (World Bank)

237. The representative of the Secretariat introduced paragraphs 52 to 143 of document UNEP/OzL.Pro/ExCom/98/49.

238. Several members, noting that the official HFC baseline was quite high owing to stockpiling that had occurred in 2022, said that they wished to discuss the possibility of greater ambition regarding the reduction of HFC consumption.

239. One of those members said that, even though five of the six enterprises had received funding under stage I of the HPMP for conversions of small air-conditioning equipment, he agreed that the proposed conversions of large air-conditioning equipment under stage I of the KIP should be treated as a first conversion under the cost guidelines. He requested clarification regarding the deduction of 2,830,814 CO₂-equivalent tonnes of HFCs from the starting point, as proposed in the recommendation, which constituted a reduction of only 4.8 per cent. He was concerned that the wording of the recommendation regarding the unfunded reduction of 9,023,376 CO₂-equivalent tonnes was rather vague compared with the wording used in decisions on other KIPs and might be unclear.

240. Two members asked why the ban on HFC-based domestic refrigeration manufacturing could not be implemented earlier than 1 January 2030, given that the transition was already almost fully complete. One of those members also requested further information about the air-conditioning end-user incentive scheme. The other member asked whether it was expected that manufacturers would continue to manufacture high-GWP HFC-based equipment until the export market was ready for transition. She also requested further information about the costs associated with the conversion project in the manufacturing sector.

241. Another member said that a reduction of 20 per cent from the baseline was quite ambitious in the case of Thailand, given that the country was among the largest exporters of air-conditioning equipment. He was therefore in favour of accepting the proposal as presented.

242. The representative of the Secretariat confirmed that stockpiling had indeed occurred in 2022, which had been taken into consideration when determining the targets, along with other factors such as the expected growth in HFC consumption in the market. Regarding the reduction from the starting point, in the document the Secretariat had reflected both the funded consumption that would be phased out and the agreed 20 per cent reduction from the baseline, so that those figures could be reflected or adjusted once the starting point had been finalized.

243. With regard to the entry into force of the ban on 1 January 2030, the World Bank had confirmed that timeline to be reasonable, taking into account the necessary administrative process and consultations, notwithstanding that fact that there was almost no HFC-based manufacturing in the country. The end-user incentive scheme was intended to avoid the continued use of high-GWP HFC-based equipment in the country and would be well integrated with the proposed projects under the energy-efficiency revolving fund. Support for transition to low-GWP equipment would be provided through a low-cost financing mechanism. With regard to costs, the World Bank had indicated that it wished to engage the mobile air-conditioning sector in a meaningful way, taking into account the many changes in the sector regarding both fuel type and air-conditioning equipment. Consultative meetings, outreach activities and technical assessments would be carried out with a view to a smooth transition in the sector during stage II. Funding levels had been adjusted but not reduced as such, as funding reductions had primarily been made to the project monitoring and management component.

244. The Executive Committee agreed to discuss the matter further in the informal group considering stage III of the HPMP for Thailand.

245. Subsequently, the Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Thailand for the period 2026–2034 to reduce HFC consumption by 20 per cent of the country's baseline by 2029 and maintaining consumption at least at that level until 2034, in the amount of US \$10,132,270, plus agency support costs of US \$709,259, for the World Bank;

- (b) To note:
- (i) The strong commitment of the Government of Thailand to support reductions in HFC consumption in advance of the Montreal Protocol targets;
 - (ii) That the Government would implement a ban, by 1 January 2030, on the manufacture and import of domestic refrigerators using HFCs, stand-alone commercial refrigeration equipment using HFCs, and the manufacture and import of air-conditioning equipment using refrigerants with a global-warming potential (GWP) above 700, excluding chillers;
 - (iii) That 2,830,814 CO₂-equivalent tonnes of HFCs would be deducted from the starting point for sustained aggregate reductions in HFC consumption to be established on the basis of guidance provided by the Executive Committee;
 - (iv) That an additional reduction of up to 10,417,599 CO₂-equivalent tonnes associated with stockpiled HFCs that had been imported into the country during the baseline years for use in subsequent years would also be deducted from the starting point referred to in subparagraph (b)(iii) above;
 - (v) That, in line with decision 82/80, an additional 12,555 CO₂-equivalent tonnes of HFCs would be deducted from the starting point referred to in subparagraph (b)(iii) above;
 - (vi) That, upon completion of the end-user project included in stage I of the KIP, the World Bank would submit a final report on the implementation of the project, including the HFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (c) To note also that the Government of Thailand would continue to monitor its HFC consumption to understand local market needs and assess what future HFC demand would be and would provide that analysis when submitting the second tranche of its KIP;
- (d) To approve:
- (i) The Agreement between the Government of Thailand and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXVII to the present report; and
 - (ii) The first tranche of stage I of the KIP for Thailand, and the corresponding tranche implementation plan, in the amount of US \$3,121,489, plus agency support costs of US \$218,504, for the World Bank.

(Decision 98/51)

Uganda: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNIDO)

246. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/53.

247. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Uganda for the period 2026–2029 to reduce HFC consumption by 10 per cent of the country's

baseline, in the amount of US \$163,850, consisting of US \$85,000, plus agency support costs of US \$11,050, for UNEP and US \$60,000, plus agency support costs of US \$7,800, for UNIDO;

- (b) To note that the Government of Uganda would put in place a ban on the import of HFC-based domestic and stand-alone commercial refrigeration equipment by 1 January 2029;
- (c) To approve the Agreement between the Government of Uganda and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXVIII to the present report; and
- (d) To approve the first tranche of stage I of the KIP for Uganda, and the corresponding tranche implementation plan, in the amount of US \$98,310, consisting of US \$47,000, plus agency support costs of US \$6,110, for UNEP and US \$40,000, plus agency support costs of US \$5,200, for UNIDO.

(Decision 98/52)

Zambia: Kigali HFC implementation plan (stage I – first tranche) (UNEP and UNIDO)

248. The Executive Committee considered document UNEP/OzL.Pro/ExCom/98/54.

249. One member noted that the text that had first been used in decision 93/56(c) was usually included in decisions only in cases where there was uncertainty about whether consumption in the baseline years reflected actual market demand. Since that concern had not been raised in the document, and there appeared to be no justification for considering a revision to the maximum level of consumption in the current stage, she wished to know why the Secretariat had thought it necessary to include the text in question. The representative of the Secretariat explained that the text had been included in the light of significant fluctuations in the data during the period 2020–2022 but that it could be removed.

250. The Executive Committee decided:

- (a) To approve, in principle, stage I of the Kigali HFC implementation plan (KIP) for Zambia for the period 2026–2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$367,250, consisting of US \$180,000, plus agency support costs of US \$23,400, for UNEP and US \$145,000, plus agency support costs of US \$18,850, for UNIDO;
- (b) To note that, upon completion of the end-user project included in stage I of the KIP, UNIDO would submit a final report on the implementation of the project, including the HFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (c) To approve:
 - (i) The Agreement between the Government of Zambia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex LXIX to the present report; and
 - (ii) The first tranche of stage I of the KIP for Zambia, and the corresponding tranche implementation plan, in the amount of US \$218,514, consisting of US \$103,375,

plus agency support costs of US \$13,439, for UNEP and US \$90,000, plus agency support costs of US \$11,700, for UNIDO.

(Decision 98/53)

C. Stand-alone projects related to energy efficiency

C.1 Projects related to the energy-efficiency revolving-fund end-user projects (decision 95/87)

Grenada: Energy-efficiency revolving-fund end-user project (World Bank)

Thailand: Energy-efficiency revolving-fund end-user project (World Bank)

Global: Energy-efficiency revolving-fund end-user project in Colombia, Ghana and Jordan (UNDP)

251. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/55. He made the following corrections to the document: in paragraph 51, “customs” should read “customers”; in paragraph 59, the cooling capacity should be read as 1,135 TR in phase 2, while the phase 1 capacity was expected to be 2,365 TR; and in paragraph 122, related to the Ghana project, the amount should be read as US \$4 million.

252. In the ensuing discussion, members expressed interest in several aspects of the projects, including the use of revolving funds as an innovative funding mechanism, the potential to add value and create impact in a cost-effective manner, the energy-efficiency improvements to be gained through implementation of the projects, the diverse sources of financing being leveraged, and the engagement of the implementing agencies in working closely with Governments to reach agreement on the projects.

253. One member stressed the importance of implementing robust projects with demonstrable benefits that reflected the considerable potential investment in the various projects, totally US \$48 million compared to the funds of US \$40 million available under the funding window for energy-efficiency revolving-fund end-user projects. He nevertheless raised a number of queries: why the technical assistance component was not part of the dollar amounts that would be returned to the Multilateral Fund, especially given the variations in the amount of technical assistance relative to the total funding requested among the different proposals, with implications for cost-effectiveness; how to balance the energy-efficiency and the refrigerant-emission components of the project, taking into account the actors and entities involved and who the recipients of the benefits of the projects were; what the role and method of operation of co-financing within the context of each project were; and whether there was an opportunity for greater ambition in the proposed efficiency improvements.

254. Another member stated that it would be useful to have more information on each of the projects, including more specific technical and financial details. The eligibility criteria for equipment were particularly important, as was a methodology for calculating energy gains. It would also be useful to know whether any funds reimbursed to the agencies would then be transferred to the Multilateral Fund. Synergies with other funds, including GEF, should also be explored. Another member said that GEF and GCF operated as separate entities from the Multilateral Fund, and there was little value to be gained from cooperation with those entities in the present matter. Another member requested more detail on the extent to which funds circulated in the various revolving funds, what kind of conversions were foreseen, what the sustainability of the funding would be in the long term, and what the opportunities for co-financing were.

255. Other queries related to the variations in benefits observed across the different projects; the targeting of incentives in the commercial air-conditioning sector and whether such incentives should target manufacturers or end users; whether there was potential under the Thailand project in particular for the

funding to be used to export to non-Article 5 countries; and what the criteria were for allocating funds to low-volume-consuming countries and non-low-volume-consuming countries.

256. Regarding the individual projects, the Grenada seawater air-conditioning district cooling system, using naturally cold deep seawater to replace conventional refrigerant-based chillers, was particularly noteworthy owing to the high levels of energy efficiency to be gained and its innovative, nature-based design utilizing the stratified temperatures occurring at different ocean depths, and the strong capital protection for the Multilateral Fund due to the commitment of the Government of Grenada to repay the full amount of the project funding under a development credit agreement. The Thailand energy-efficiency revolving-fund project was a sophisticated proposal that was given impetus by the use of lending rates for enterprises that were well below the market rate. The Ghana energy-efficiency revolving-fund project derived value from a number of features, including advantageous debt-service coverage and loan-to-value ratios, which supported the feasibility of the project.

257. The representative of the Secretariat responded to the issues raised. Regarding the matter of the sharing of information on such projects with GEF and GCF, he clarified that the Secretariat did indeed share information related to energy-efficiency-related projects with those entities and with regional development banks on a regular basis. The Secretariat encouraged their participation to enhance their understanding of the relevant projects and activities. Regarding the technology choices, the Secretariat had not engaged in detailed discussion of specific categories of equipment for each target segment, because it was too early to know who the clients would be, as those clients would be working with the national financial institutions taking into account various parameters related to energy efficiency. On the matter of some revolving funds having a bigger cycle than others, he said that that depended on the client portfolio that was being adopted by the countries; for example, a revolving fund might have lower levels of rotation in the event that clients were large equipment users. Regarding co-financing, he confirmed that all the projects featured the co-financing of various levels, although specific co-financing data could not be provided for Thailand until the engagement of the partner financial institutions. On the matter of technical assistance, he said that the aim of such assistance was to enhance the capability of the national financial institutions in order to ensure the adoption of energy-efficient and sustainable technologies in the long term. On the matter of the relationship of the projects with HFC phase-down, he cited the case of Grenada, whereby the deep seawater district cooling technology would lead to a reduction in the consumption and emission of refrigerants. On the level of ambition of the projects, long discussions had taken place with all the agencies, taking into the project structures and the present and potential capabilities of the end users. As a portfolio, however, all the agencies had confirmed that they would strive to move forward with more energy-efficient technologies. On the matter of the application of Multilateral Fund rules to the manufacturers that were funded, he referred to the Thailand project, which would use innovative inventory financing, to which the Multilateral Fund rules would indeed apply. Finally, on the matter of allocation of funding, he said that the funds approved were for a set of activities, based on consultations held with the Executive Committee, with priority given to those countries that had submitted projects.

258. Given the many questions and concerns raised, the Executive Committee agreed to establish a contact group to discuss the matter further.

259. Subsequently, the Executive Committee decided:

- (a) That the approach used for funding associated with technical assistance and agency support costs under the present projects was exceptional, including with regard to whether technical assistance and agency support costs were part of the funding returned to the Multilateral Fund, and would not set a precedent for future projects;
- (b) Not to approve the energy-efficiency revolving-fund end-user project for Grenada;

- (c) To approve the energy-efficiency revolving-fund end-user project for Thailand in the amount of US \$20,500,000, plus agency support costs of US \$1,435,000, for the World Bank, on the understanding:
 - (i) That the principal amount of US \$20,000,000 would be deployed through a revolving-fund mechanism for an initial period of eight years, after which the principal amount would be returned to the Multilateral Fund;
 - (ii) That US \$500,000 would be deployed for technical assistance activities, noting that the Government of Thailand had offset that amount by reducing support requested for the project management component of stage III of the HCFC phase-out management plan for Thailand;
 - (iii) That the minimum energy-efficiency improvement for the project compared to the baseline levels would be at least 10 per cent for beneficiaries in the large air-conditioning market segment, and at least 20 per cent for beneficiaries in other segments;
- (d) To approve the global energy-efficiency revolving-fund end-user project in the amount of US \$20,825,000, plus agency support costs of US \$1,457,750, for UNDP, on the understanding:
 - (i) For the project in Colombia:
 - a. That the principal amount of US \$8,000,000 would be deployed through a revolving-fund mechanism for an initial period of eight years, after which the principal amount would be returned to the Multilateral Fund;
 - b. That US \$260,000 would be deployed for technical assistance activities;
 - c. That the minimum energy-efficiency improvement for the project would be at least 25 per cent compared to the baseline levels for the beneficiaries;
 - (ii) For the project in Ghana:
 - a. That the principal amount of US \$4,000,000 would be deployed through a revolving-fund mechanism for an initial period of eight years, after which the principal amount would be returned to the Multilateral Fund;
 - b. That US \$165,000 would be deployed for technical assistance activities;
 - c. That the minimum energy-efficiency improvement for the project would be at least 25 per cent compared to the baseline levels for the beneficiaries;
 - (iii) For the project in Jordan:
 - a. That the principal amount of US \$8,000,000 would be deployed through a revolving-fund mechanism for an initial period of eight years, after which the principal amount would be returned to the Multilateral Fund;
 - b. That US \$240,000 would be deployed for technical assistance activities;
 - c. That the minimum energy-efficiency improvement for the project would be at least 25 per cent compared to the baseline levels for the beneficiaries;

- (iv) That US \$160,000 would be deployed for global technical assistance;
- (v) That UNDP, in consultation with the Governments, would report back at the 102nd meeting regarding any progress in securing co-finance to support technical assistance from the Governments, financial institutions and end users; and
- (e) To request the Secretariat to prepare, for consideration by the Executive Committee at its 99th meeting, a format for performance reporting for the projects approved.

(Decision 98/54)

C.2 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) (decision 91/65)

Ecuador: Pilot demonstration project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of the HFC phase-down (non-investment activities) through replacing an R-507A-based centralized refrigeration system with an ammonia-based recirculated system at a shrimp processing enterprise (UNIDO)

260. The representative of the Secretariat introduced paragraphs 68 to 106 of document UNEP/OzL.Pro/ExCom/98/34.

261. Responding to a question from a member, the representative of the Secretariat confirmed that the technology selected for the energy-efficiency demonstration project was ammonia. The implementing agency had not requested any additional costs for safety components because the enterprise was taking responsibility for the majority of the project costs. The costs that had been requested were for the installation of the components and some technical assistance.

262. The Executive Committee decided:

- (a) To approve the project to replace an R-507A-based centralized refrigeration system with an ammonia-based recirculated system at a shrimp processing enterprise in Ecuador, in the amount of US \$449,600, plus agency support costs of US \$31,472, for UNIDO;
- (b) To note:
 - (i) That the Government of Ecuador had committed to the conditions referred to in decision 91/65(b)(iv)b. to d.;
 - (ii) That the Government of Ecuador, upon completion of the project, would develop minimum energy performance standards for centralized industrial refrigeration systems, which would include technical specifications, performance metrics (including coefficient-of-performance benchmarks at defined operating conditions), compliance pathways and implementation recommendations; and
 - (iii) That the project would be operationally completed no later than 30 June 2029 and that a detailed project report would be submitted to the Executive Committee within six months of the date of completion, including a detailed description of activities undertaken to disseminate the results of the technology demonstration and to promote the adoption of the selected energy-efficient alternative technologies.

(Decision 98/55)

C.3 Pilot project to enhance energy efficiency in the manufacturing sector in the context of HFC phase-down (decision 94/60)

Indonesia: Project to enhance energy efficiency in the manufacturing of domestic refrigerators and freezers, beverage coolers, and ice cream display freezers in the context of HFC phase-down (UNDP)

263. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/37/Add.1/Rev.1.

264. One member noted the technical complexity of projects submitted under decision 94/60 and remarked that the annex added by the Secretariat in the revised version of the document, providing detailed information on how additional component costs had been calculated, had been helpful. He reiterated that the Secretariat should continue to include such information for projects of that kind.

265. The Executive Committee decided to approve the project to enhance energy efficiency in the domestic refrigeration manufacturing sector in the context of HFC phase-down in Indonesia, in the amount of US \$4,499,739, plus agency support costs of US \$314,982, for UNDP, noting:

- (a) The commitment of the Government of Indonesia:
 - (i) To develop and implement by 31 December 2031 minimum energy performance standards (MEPS) for freezers and ice cream display freezers to at least the levels achieved by models qualifying for an incentive under the project;
 - (ii) To explore the expansion of the range of products covered under its existing MEPS (e.g. equipment with volume greater than 300 litres);
 - (iii) In line with paragraph 38 of document UNEP/OzL.Pro/ExCom/94/61, periodically to upgrade the MEPS, labelling programmes and awareness and outreach activities to ensure that the targeted energy-efficiency levels for the equipment under the project were publicized among stakeholders;
 - (iv) To take steps to implement MEPS, at the latest within three years of the date of completion of the project, to ensure that the manufacturing, import and sale of domestic refrigerators and beverage coolers would at least achieve the target energy-efficiency performance levels that qualified for an incentive under the project;
 - (v) To implement awareness and outreach initiatives to publicize activities undertaken under the project, including implementation timelines for MEPS for domestic refrigerators and freezers, beverage coolers and ice cream display freezers, coordination with stakeholders and alignment with other national or regional programmes promoting energy-efficient refrigeration and air-conditioning equipment while following its normal inter-agency consultation and coordination process;
 - (vi) To ensure that the beneficiary enterprises:
 - a. In line with paragraph 37 of document UNEP/OzL.Pro/ExCom/94/61, for those models eligible for an incentive under the project, manufactured, after project completion, equipment with at least the target energy-efficiency performance;

- b. Committed to making best efforts to continue, at their own cost, to improve the energy efficiency of the products that they manufacture beyond the project duration;
 - c. That continued to manufacture models not included in the project would ensure that those models met at least the MEPS established by the country;
- (b) That if the Government did not comply with the conditions specified in the present decision, the Executive Committee would take that into account when considering future projects submitted by Indonesia that were unrelated to compliance;
 - (c) That, of the agreed funding, US \$4,369,739, plus agency support costs of US \$305,882, for UNDP would fall under the funding window approved under decision 94/60 and US \$130,000, plus agency support costs of US \$9,100, for UNDP would fall under the funding window approved under decision 91/65; and
 - (d) That the project would be operationally completed no later than 30 June 2029 and a detailed project report would be submitted to the Executive Committee within six months of the date of completion of the project.

(Decision 98/56)

Thailand: Project to enhance energy efficiency in the manufacturing of air conditioners (World Bank)

266. The representative of the Secretariat introduced paragraphs 144 to 185 of document UNEP/OzL.Pro/ExCom/98/49.

267. One member pointed out that part of the project was focused on small-capacity air-conditioning units, which had already been converted to HFC-32 under stage I of the HPMP. While the financing of energy efficiency was part of the Fund's mandate, the project did not fulfil the eligibility criteria of energy capacity in the context of HFC reduction.

268. Other members welcomed the integrated approach, adopted by Thailand in its submissions, of proposals for multiple projects, which was an approach that other countries might wish to adopt. One of those members pointed out that, as a manufacturing and exporting country, Thailand shouldered an additional responsibility, as its decisions would also lock in technologies used in other countries. He welcomed the strengthening of regulatory frameworks, in particular the proposed bans, and encouraged the Government to apply them as soon as possible. The conversion of air-conditioning manufacturing enterprises to HFC-32 was a risky choice in the long term, as an additional conversion might be required in the future to reach the Kigali targets. Low-GWP alternatives, such as R-290, might be more environmentally and economically feasible. He supported the systematic integration of energy efficiency into the refrigerant transition projects, in particular the strategic integration of supply and demand side measures, which could also be replicated by other Article 5 countries.

269. Several members expressed their support for the proposal, pointing out that the Committee had previously encouraged Thailand to serve as an example for other manufacturing countries to emulate by transitioning its manufacturing sector to a particular technology on its own initiative. It would therefore be unjust to reject the country's proposal for an energy-efficiency project on the grounds that that conversion did not constitute a reduction in HFC consumption. Doing so would also send the wrong message to other Article 5 countries. It was important that the Committee remain technology-neutral and should consider the project in the context in which it had been prepared.

270. One member said that, while the project did not appear to be eligible for funding in accordance with the rules followed by the Committee, approving it might have advantages. At the same time, the Committee must consider the broader consequences of changing its rules.

271. Another member noted that a contact group had already been established for broader discussions on the eligibility of energy-efficiency conversions while phasing down HFCs. In relation to the particular project at hand, however, he was in favour of establishing a separate contact group to discuss such issues as the rationale for selecting the specific enterprises and equipment models for the project and whether other enterprises and models might also be considered for funding.

272. The Executive Committee agreed to discuss the project further in the informal group that would consider stage III of the HPMP for Thailand and stage I of the KIP for Thailand.

273. Subsequently, the Executive Committee decided to approve, on an exceptional basis, the project to enhance the energy efficiency in the manufacturing of air conditioners in Thailand, in the amount of US \$3,878,647, plus agency support costs of US \$271,505, for the World Bank, noting:

- (a) That the Government of Thailand would revise the minimum energy performance standards (MEPS) by 1 January 2030, on the basis of the market survey and agreement with the relevant national stakeholders;
- (b) That most air-conditioner manufacturing enterprises participating in the project were in the process of converting from R-410A to HFC-32 and would complete their conversion in line with national regulations being implemented under stage I of the country's Kigali HFC implementation plan (KIP);
- (c) That the Government of Thailand had committed to undertake the activities referred to in subparagraphs (i) to (vii) below:
 - (i) In line with paragraph 36 of document UNEP/OzL.Pro/ExCom/94/61, to ensure that project implementation was operationally completed no later than 36 months from the date of approval and to return the funding relating to the additional component costs and any other remaining balances that had not already been obligated if the project was not completed within 36 months;
 - (ii) In line with paragraph 37 of document UNEP/OzL.Pro/ExCom/94/61, to ensure that the beneficiary enterprises would manufacture, after project completion, equipment with at least the target energy-efficiency performance and would continue to make their best efforts to continue to improve the energy efficiency of the products beyond the project implementation duration at their own cost, noting that the performance of equipment manufactured by the enterprises would be monitored, for a period of two years from the date of completion of the project, by the national ozone unit and the World Bank, through appropriate mechanisms;
 - (iii) In line with paragraph 38 of document UNEP/OzL.Pro/ExCom/94/61, to ensure the periodic upgrading of MEPS regulations, labelling programmes and awareness and outreach activities to ensure that the target energy-efficiency levels under the project for the equipment were publicized among different stakeholders, and to take steps to implement, within three years after the date of completion of the project, regulations to ensure that the manufacturing, import and sale of the equipment achieved at least the target energy-efficiency performance levels, at least three years after the date of completion of the project;

- (iv) To implement awareness and outreach initiatives, including through ongoing activities under stage III of the HCFC phase-out management plan and stage I of the KIP, to publicize the activities undertaken under the project, including implementation timelines for MEPS for air conditioners, coordination with stakeholders and alignment with other national or regional programmes promoting energy-efficient refrigeration, air-conditioning and heat-pump technologies;
 - (v) To the extent feasible, to introduce and implement other complementary policies and measures that promoted the adoption of energy-efficient equipment in air-conditioning applications, ensuring long-term sustainability for project beneficiaries, which would include work with industry associations, energy service company associations and other stakeholders, to promote the adoption of energy-efficient air-conditioning equipment;
 - (vi) To ensure timely implementation both of the projects in stage I of the KIP and of the proposed energy-efficiency initiatives, in accordance with agreed timelines, policies and regulatory frameworks;
 - (vii) To submit a detailed report on the implementation of the project, including the additional capital and component costs incurred for the models covered in the project, the energy-efficiency gains accrued and the challenges faced while implementing the project;
- (d) That the project would be operationally completed no later than 30 June 2029, and that a detailed project report would be submitted to the Executive Committee within six months of the date of completion of the project;
 - (e) That the Government of Thailand, through the World Bank, would submit to the first meeting of the year, starting in 2028, an annual update on the status of its revision of the MEPS for air conditioners until the Electricity Generating Authority of Thailand Label 5 levels of three stars or above were met; and
 - (f) That, if the Government did not comply with the conditions specified in subparagraphs (c)(i) to (vii) above, the Executive Committee would take that into account when considering future projects submitted by Thailand that were unrelated to compliance.

(Decision 98/57)

AGENDA ITEM 9: UPDATED REPORT ON THE ISSUE OF ALTERNATIVES IN POLYURETHANE FOAM MANUFACTURING WITH A FOCUS ON SMALL AND MEDIUM-SIZED ENTERPRISES, IN PARTICULAR FOR SPRAY AND INSULATING FOAM APPLICATIONS (DECISION 96/53(c))

274. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/56.

275. During the ensuing discussion, members expressed appreciation for the report, noting the progress made regarding the availability of low-GWP alternatives in the PU foam sector, while recognizing that alternatives were not fully available in all countries for all types of enterprises. They noted in particular the progress made by HFO technologies, including their increased availability, a decline in prices in some markets and increased global production capacity.

276. At the same time, members acknowledged that for Article 5 countries, and particularly for small and medium-sized enterprises, the high costs of HFO-based technologies, limited local supply chains,

dependence on imports, foreign exchange constraints and a lack of local technical support continued to present difficulties. The installation cost associated with hydrocarbon systems was also an important challenge. In that context, one member recalled the continued technology-neutral approach under the Kigali Amendment and underscored the importance of maintaining the flexibility for countries to select the most appropriate technologies on the basis of national circumstances, safety considerations, market conditions and cost effectiveness.

277. The Secretariat was encouraged to continue monitoring the alternatives and price developments, as well as the potential impact of HFO provision on some markets and on Article 5 countries' efforts to meet their commitments under the Kigali Amendment. Some members, looking ahead to the next update report, asked that it include a broader overview of all alternatives, noting that the current report had a strong focus on HFOs. One member, however, suggested that implementation challenges could henceforth be monitored through information on challenges faced by specific projects, which could be included in status reports or specific project proposals. A second member concurred with that suggestion.

278. The representative of the Secretariat responded to a number of questions posed during the discussion. Explaining why the Plurinational State of Bolivia was not part of the report, he said that information had been collected only from countries with investment projects implemented in the PU foam sector, and the Plurinational State of Bolivia did not currently have such a project; he noted however that the country had just submitted a PU foam sector plan to phase out the use of HFCs contained in pre-blended polyols through the adoption of HFO-based technology. On the topic of hydrocarbon use, he confirmed that hydrocarbons appeared to be a viable alternative except for in spray foam applications, where there was a flammability risk. He also acknowledged that hydrocarbon use required substantial investment in safety infrastructure and protocols for the entire operation, which could create difficulties for small and medium-sized enterprises. Turning to a question on HFO shelf life, he said that the implementing agencies had reported that HFO-1233zd required special attention because of characteristics of its molecule; its shelf life might therefore be shorter in some instances, which complicated handling logistics.

279. In response to a request for additional information on the foam projects in Uruguay, the representative of UNDP informed the Committee that HFO availability was highly dependent on the various markets and the location of the system houses and appeared to be more of an issue in the Southern Cone. He also explained that, following the cancellation of the projects submitted by two enterprises, one of the enterprises had found a solution based on HFOs. The other continued to use a system based on imported HFCs; UNDP was following up with that enterprise regarding potential solutions and was monitoring the situation to see whether a project proposal should be submitted in the future.

280. One member asked for additional information on how the regional HFO market in Latin America worked and how the Plurinational State of Bolivia fitted into that market. The representative of the Secretariat responded that the HFO market appeared to be fragmented, with availability dependent on many factors, including geographical location, market size and the existence of system houses. As a result, it was easier to implement projects in some countries than in others, and prices varied, in part owing to supply chain logistics. In the case of the Plurinational State of Bolivia, the country had no local systems houses but had access to HFOs from Colombia and Panama, as well as Asia. The representative of UNIDO corroborated that information.

281. One member stressed the need to monitor the issue and suggested that it would be worthwhile receiving an updated report at a future meeting.

282. The Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/98/56 containing the updated report on the issue of alternatives in polyurethane foam manufacturing with a focus on small and medium-sized enterprises, in particular for spray and insulating foam applications (decision 96/53 (c)); and

- (b) To request the Secretariat to update its report contained in the document referred to in subparagraph (a) above, for consideration at the 100th meeting.

(Decision 98/58)

AGENDA ITEM 10: PAPER ON THE CHALLENGES IN IMPLEMENTING CONVERSION PROJECTS IN THE REFRIGERATION, AIR-CONDITIONING AND HEAT-PUMP SECTOR DUE TO SUPPLY-CHAIN ISSUES AND POSSIBLE WAYS TO ADDRESS THE CHALLENGES (DECISION 96/59)

283. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/57.

284. In the ensuing discussion, the paper was viewed as a timely and useful overview of supply chain challenges in implementing conversion projects. One member said that the transition to low-GWP alternatives under the Kigali Amendment required physical access to technologies and affordable components, for which resilient supply chains were essential. Market forces alone would not resolve structural barriers in a timely manner. Article 5 countries were confronting import dependence, price instability for critical components and significant technical capacity gaps that were having a particularly significant impact on small and medium-sized enterprises. A clear action plan on supply chain issues was needed to ensure successful implementation of the Kigali Amendment and the economic and technological sustainability of the HFC transition in Article 5 countries.

285. Other members spoke of the need to take into account possible supply chain constraints during project preparation; the potential value of acting at a regional level to facilitate the creation of supply chains; the need to monitor and respond to market changes; and the need to differentiate between structural barriers and those that can be solved with market dynamics, when analysing supply chain issues.

286. Regarding the recommendations, they were generally viewed as a positive and practical way forward. The recommendation requesting bilateral and implementing agencies to take into account supply chain challenges when designing conversion projects was viewed as useful and would provide a basis for the Secretariat and the Executive Committee to continue monitoring the situation where difficulties persisted. Doubt was raised, however, as to whether a new section on supply chain challenges was needed in project review documents, as that issue could be managed under the section on risks.

287. The Executive Committee agreed to refer further discussion of the matter to the contact group established under agenda item 13, Paper regarding strategic approaches to Kigali Amendment implementation in Article 5 countries.

288. Subsequently, owing to the contact group's lack of time to discuss the matter, the Executive Committee agreed to defer, to its 99th meeting, consideration of the paper on the challenges in implementing conversion projects in the refrigeration, air-conditioning and heat-pump sector due to supply-chain issues and possible ways to address the challenges (decision 96/59).

AGENDA ITEM 11: UPDATE ON THE LOCAL INSTALLATION AND ASSEMBLY SUBSECTOR (DECISION 95/89(c))

289. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/58.

290. In the ensuing discussion, there was agreement on the importance of collecting information on the local installation and assembly subsector in the context of KIPs, although it was recognized that data collection remained challenging for a number of reasons, including difficulties faced in establishing a clear definition of the subsector as a basis for disaggregated data collection and the lack of reporting of

consumption in the subsector. That made it difficult for the Executive Committee to establish the extent of the need for additional funding for projects in the sector.

291. On the way forward, one member suggested that the subsector could be included as a separate item in country programme data sheets to facilitate discrete data reporting. Another member said that the provision by the Secretariat of an update on the subsector, as part of the assessment proposed in document UNEP/OzL.Pro/ExCom/98/60, should be considered in the light of the outcomes of the discussion on strategic approaches to implementing the Kigali Amendment under agenda item 13.

292. Subsequently, following adoption of decision 98/61, under agenda item 13, Paper regarding strategic approaches to Kigali Amendment implementation in Article 5 countries pursuant to elements referred to in decision 96/57, the Executive Committee decided:

- (a) To note the update on the local installation and assembly subsector in line with decision 95/89(c) contained in document UNEP/OzL.Pro/ExCom/98/58;
- (b) To continue considering projects in the local installation and assembly subsector in the context of Kigali HFC implementation plans (KIPs) on a case-by-case basis, in line with decision 95/89(b); and
- (c) To request the Secretariat to continue collecting information on the local installation and assembly subsector provided by Article 5 countries in their KIPs and to provide, at the 100th meeting, an update on the sector, as part of the information requested of the Secretariat under decision 98/61.

(Decision 98/59)

AGENDA ITEM 12: ADDITIONAL INFORMATION ON NEW ENERGY-EFFICIENCY TESTING CENTRES IN NON-MANUFACTURING COUNTRIES (DECISION 97/88(c))

293. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/59.

294. In the ensuing discussion, there was recognition of the value of regional energy-efficiency testing centres in non-manufacturing countries, especially in the context of enforcing MEPS both regionally and nationally. The document presented by the Secretariat was a useful update of the previous draft and presented relevant information on identifying potential countries that had developed MEPS, potential regions that could be prioritized for the development of proposal, and additional information on capital and operating costs and on potential business models to sustain such costs.

295. One member questioned whether the mobilization of funds for the establishment of testing centres fell under the mandate of the Multilateral Fund and whether the concept constituted a viable financial model. The proposal to test a minimum of 58 models per year was perhaps overambitious for certain regions and countries, and the issue of transport or equipment movement presented a significant challenge. The updating of existing centres was a more economically viable and feasible model. Another member said that it was not clear why existing external verification schemes or tools would not be sufficient for country-level testing, including accredited overseas energy-efficiency testing centres, third-party verifications, regional product registries and risk-based post-market sampling; nor was it clear why market demand would not motivate existing centres to make relevant upgrades in a privately funded model.

296. Several members questioned why particular regions had not been identified as primary candidates for the establishment of the new regional testing centres. The representative of the Secretariat responded that, where a centre that could potentially be used already existed in a region, on the basis of a preliminary analysis, the Secretariat had not undertaken a detailed assessment of that particular region, although that analysis

could be further guided and revised on the basis of the feedback received. One member mentioned that the Europe and Central Asia region should be included in the assessment.

297. One member outlined a number of factors that needed to be taken into account when deciding how to move forward on the matter, including whether the proposed testing centres needed, in the event that the testing capacity was underutilized, to undertake additional activities besides testing equipment, such as consultancy services for industry and capacity-building; how to ensure that the potential activity was linked to the work of the Multilateral Fund, specifically the HFC phase-down, implementation of KIPs and related energy-efficiency projects; how to ensure that the testing centres were located in regions where they added the most value for HFC phase-down, according to the previous criterion; what direction further consultations should take, for example with the UNEP initiative of the twinning of national ozone officers and energy-efficiency policymakers; which Governments would be interested in hosting a testing centre and whether they would be willing formally to recognize and utilize a centre established in another region; what existing infrastructure or capacity currently existed in countries that could be upgraded according to testing centre requirements; the level and types of activity required for centres to be self-sustaining; and the stage of development of MEPS in countries or regions.

298. On the next actions, a step-by-step approach was proposed, involving analysis of such factors as the size of the regions that would be covered by a testing centre; the status of MEPS, including the level of uniformity, harmonization and enforceability across a region, and the accuracy of labelling; the level of cooperation between countries in a region; the actual costs and fees involved, particularly for developing countries, and how and by whom the activities would be financed; the role of national ozone units in the initiative; the practicalities of moving equipment between countries and regions, including the customs implications; what types of new equipment and appliances would be coming on the market that would require testing; and a focus, at the present stage, on gathering relevant information rather than making funding decisions.

299. The Executive Committee agreed to establish a contact group to continue discussion on the matter of new energy-efficiency testing centres in non-manufacturing countries.

300. Subsequently, the convenor of the contact group reported that the group had reached agreement on the text of the draft recommendation and had also reflected on certain elements, such as business models of existing testing centres and the three emphasized scenarios in the document with their funding sources, information on status of implementation of MEPS across Article 5 countries, and costs and challenges associated with transboundary movements of equipment for testing.

301. The Executive Committee decided:

- (a) To note the additional information on new energy-efficiency testing centres in non-manufacturing countries (decision 97/88(c)) provided in document UNEP/OzL.Pro/ExCom/98/59;
- (b) To request the Secretariat and the UNEP Compliance Assistance Programme, through the networks of national ozone units and the energy-efficiency twinning project, including with interested bilateral and implementing agencies, to continue consultations on regional testing centres to assist Article 5 countries in meeting minimum energy performance standards developed with Multilateral Fund support, taking into account information in document UNEP/OzL.Pro/ExCom/98/59, as well as discussions held by the Executive Committee at its 98th meeting; and
- (c) To request the Secretariat to prepare, in consultation with the bilateral and implementing agencies, for the 102nd meeting, an updated report on regional energy-efficiency testing centres as well as information on practical approaches to overcome identified barriers to

such centres, taking into account the findings from the consultations referred to in subparagraph (b) above and the discussions at the 98th meeting.

(Decision 98/60)

AGENDA ITEM 13: PAPER REGARDING STRATEGIC APPROACHES TO KIGALI AMENDMENT IMPLEMENTATION IN ARTICLE 5 COUNTRIES PURSUANT TO ELEMENTS REFERRED TO IN DECISION 96/57

302. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/60.

303. In the ensuing discussion, members thanked the Secretariat for its paper, which one member noted came at an important juncture for Article 5 countries. There was universal support for establishing a contact group to explore the many issues raised. Appreciation was expressed for the paper's focus on regional cooperation, its identification of opportunity areas and its acknowledgement of lessons learned from pilot projects approved under decisions 89/6 and 91/65. One member said that there was broad scope for regional initiatives in a range of areas and that it would be helpful to consider how the Multilateral Fund could encourage them. Two members called for a stepwise approach to exploring the ideas contained in the paper in order to build confidence and avoid any negative implications for the Multilateral Fund, with one of them noting that some of the suggested approaches represented a significant departure from how the Fund had supported implementation efforts in the past and that there was a need for a clear understanding of the path forward.

304. A number of members noted that HFC phase-down required a complex and systematic transformation that went beyond regulatory measures to include technical, institutional and financial dimensions. Two members emphasized that compliance with Montreal Protocol control measures remained the central and non-negotiable objective of KIPs, as was recalled in paragraph 89 of the paper, a fact that one member said should be reflected in the Secretariat's draft recommendation. Another member stressed the importance of ensuring that energy-efficiency activities complemented core HFC phase-down measures rather than diverting resources away from them. In the same vein, one member voiced concerns over subparagraph (c) of the draft recommendation and said that alternative financial modalities must in no way replace Multilateral Fund support for HCFC phase-out and HFC phase-down efforts. Another member cautioned against blurring the lines between compliance and non-compliance activities, which were typically funded differently.

305. Several members suggested ways of strengthening the strategic approaches outlined in the paper. Two members said that the framework for the implementation of the Kigali Amendment had to be flexible and tailored to the circumstances of Article 5 countries, which varied considerably. One of them said that, instead of introducing new reporting and monitoring systems, which risked duplicating efforts and placing a heavy administrative burden on Article 5 countries, efforts should focus on strengthening existing national frameworks. The same member highlighted the need to address the significant technical and financial impediments faced by small and medium-sized enterprises, in particular by facilitating the localization of component manufacturing and essential safety-related activities; to drive widespread market adoption of technology by resolving end-user concerns, including through demonstration projects and targeted capacity-building; and to invest in infrastructure that supported technology adaptation and innovation, notably national centres of excellence, which were vital in fostering the indigenous solutions required for long-term sustainability. Another member called for a holistic approach to synergies and cross-cutting issues and for countries to devise strategies to manage the expected growth in cooling demand.

306. Two members said that the paper would have benefited from the inclusion of information on the roles that different stakeholders could play in each area of implementation, with one adding that she also would have liked to see details of possible synergies between initiatives and a comparative analysis of measures funded by other actors.

307. One member said that many Article 5 countries, particularly low-volume-consuming countries, remained dependent on imported equipment, refrigerants and servicing components. She sought clarification of whether technology availability and market readiness would be taken into account when assessing implementation expectations and progress under future KIP stages. Moreover, she stated that digital tools and artificial intelligence should complement, rather than replace, foundational priorities such as safety and technician training, recovery and recycling capacity, access to servicing equipment and the strengthening of institutional frameworks, especially bearing in mind that many Article 5 countries suffered from limited Internet coverage, unreliable connectivity, high technology costs, limited access to digital equipment and varying levels of digital literacy. Consequently, innovative approaches based on digital tools and artificial intelligence should be adaptable to national circumstances and levels of technological readiness. Another member said that technology penetration was a major limitation in Article 5 countries and that a key consideration when evaluating strategic approaches should be the avoidance of measures that might create problems or burdens in the future.

308. Two members welcomed the reference in the paper to financing pathways such as revolving funds and green credit lines. A third member said that it would be interesting to hold further discussions on non-grant instruments. Two members underscored the importance of financial discipline and cost-effectiveness, particularly in view of resource constraints and the magnitude of emerging needs, with one calling for attention to be paid to measurable impact, implementation feasibility at the country level and the establishment of clear goals among stakeholders.

309. One member said that a smart approach could be to target strategic sectors or companies with the potential to influence entire markets, countries or even regions, while another member expressed a desire to investigate how sectoral strategies could be implemented in practice.

310. The Executive Committee agreed to establish a contact group to pursue discussion of the matter.

311. Subsequently, the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/98/60 on strategic approaches to Kigali Amendment implementation in Article 5 countries pursuant to elements referred to in decision 96/57;
- (b) To request the Secretariat to prepare, for consideration by the Executive Committee at its 100th meeting, information regarding the following components that could guide preparation of future Kigali HFC implementation plans (KIPs), informed by lessons learned from previous implementation experience under the Multilateral Fund and considering that priority should be given to compliance activities:
 - (i) Types of activities to facilitate transition in the refrigeration servicing and non-manufacturing sector, with a focus on strengthening and leveraging existing institutional frameworks for training and certification of technicians, including linkages to life-cycle refrigerant management strategies, and enhancing energy efficiency, on the basis of lessons from pilot projects under decisions 89/6 and 91/65;
 - (ii) Types of activities to facilitate manufacturing sector transition in the refrigeration, air-conditioning and heat-pump sector, including with regard to small and medium-sized enterprises and taking into consideration development and adoption of safety infrastructure;

- (iii) Possible elements to consider for future stages of the KIPs that would be part of a cross-cutting or country programme approach taking into consideration strategies for technology transition, as well as national cooling action plans, where relevant;
 - (iv) Lessons learned regarding the use of concessional funding by the Multilateral Fund since its inception to inform the Committee for its consideration on potential activities;
 - (v) An update to the mapping of relevant activities undertaken by other funding institutions;
- (c) To request the Secretariat, taking into account the updated version of document UNEP/OzL.Pro/ExCom/92/43, to be presented to the 102nd meeting pursuant to decision 92/36, to prepare for consideration by the Executive Committee at its 102nd meeting, information on options for financial modalities and institutional arrangements for supporting end users, aimed at assisting in market transformation and supporting sustained HFC phase-down under future stages of the KIPs.

(Decision 98/61)

AGENDA ITEM 14: MATTERS RELATING TO PILOT PROJECTS TO ENHANCE REGIONAL ATMOSPHERIC MONITORING OF SUBSTANCES CONTROLLED BY THE MONTREAL PROTOCOL (DECISION 96/56)

312. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/98/61.

313. Members welcomed the document, noting with appreciation the high level of detail, clear structure and comprehensive analysis. Many members were generally in favour of the proposal formulated by the Secretariat, indicating support for the addition of WMO as an implementing agency; establishment of the funding window and initiation of pilot projects; the proposed guidelines; the template agreement; and the central role of the Advisory Committee in providing scientific guidance. There was also general acknowledgement that a longer-than-usual period of support would be needed to ensure the viability of new stations. Other positive aspects mentioned included the scientifically robust three-step project preparation process and the emphasis on capacity-building, data management and adherence to open data and findability, accessibility, interoperability and reusability (FAIR) data principles, and calibration and quality assurance systems, which were recognized as essential for ensuring the high-quality, comparable data needed to support policy decisions.

314. One member nevertheless cautioned that it was premature to add the proposed US \$1.8 million to the funding window to support the continued operation of stations planned to be established under the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention. She also expressed concern regarding the organization of an international conference as it was not within the mandate of the Multilateral Fund and recommended that such a meeting instead be held back-to-back with a meeting of the Parties.

315. Another member, recalling the history of discussions on the matter, noted that the existing international monitoring stations were run mainly by the United States National Oceanic and Atmospheric Administration network and the Advanced Global Atmospheric Gases Experiment (AGAGE) network. Even after several years of discussion, those networks still formed the backbone of regional and global monitoring of controlled substances, and, apart from some new stations in China and a flask-sampling exercise under a European-Union-funded pilot project, little had changed since the beginning of the decade: the gaps first identified in the network essentially remained. He added that he expected the new monitoring stations to join the AGAGE network, which was guided by the principles of data- and information-sharing.

316. One member, supported by several others, called for the proposed initiative to be built on a robust foundation of long-term sustainability and a genuine partnership with Article 5 countries. In addition to echoing the need for a long-term financial model to ensure station continuity, she said that, ideally, capacity-building should extend well beyond the basic monitoring station operation and maintenance to provide a framework that empowered local institutions through advanced training in data analysis, atmospheric modelling and scientific publication. In addition, the participating Article 5 countries should be central in the site selection process and project governance and strategic direction, and administrative processes and draft agreements should include options allowing the transfer of equipment to national scientific or academic institutions to ensure that the initial investment continued to foster local scientific capacity.

317. Several members indicated that they had concerns, and several indicated that they wished to propose amendments to the guidelines. There was also a suggestion to add to the Secretariat's recommendation a paragraph providing for an update and review point, potentially at the 104th meeting, to enable the Committee to review progress in the establishment of the pilot monitoring sites and consider any recommendations from the Secretariat for fine-tuning of the agreed processes or modification of the approach.

318. Responding to questions relating to the potential for WMO to act as implementing agency, the representative of the Secretariat explained that the organization had expressed its willingness to take on such a role, indicating it had the proper legal and financial regulation to establish a trust fund within WMO, against which allocations and expenditures would be managed and recorded, and the technical expertise to implement projects on atmospheric monitoring. An invitation to become an implementing agency would require approval by the WMO Secretary-General, who would also approve the Agreement between WMO and the Executive Committee, and the Agreement between WMO and the Multilateral Fund Treasurer. Both Agreements would be in line with those approved by the Committee and signed by each of the current implementing agencies. The Secretariat had shared the texts of those Agreements with WMO officials, who had reviewed and understood their provisions.

319. Turning to questions on the monitoring sites, the representative of the Secretariat recalled that the Advisory Committee was expected to provide additional information on site selection at the upcoming forty-eighth meeting of the Open-ended Working Group. In line with country-driven approach, it would be up to countries in the regions and locations identified by the Advisory Committee to propose a site within their country if they so wished. In terms of the proposals themselves, the elements set out in paragraph 24 of the document indicated the information that would need to be included to enable an assessment of how the station would be established and operated. Local capacity would be an important factor in ensuring useful results, and the proposed funding for capacity-building was intended to strengthen such capacity. The Secretariat had envisioned capacity-building during the implementation phase rather than the project preparation phase. In terms of the staffing of a monitoring station, the incremental recurring costs proposed by the Secretariat included personnel costs, and it would be up to the Executive Committee to decide on the duration of those costs.

320. The Executive Committee agreed to establish a contact group to discuss the matter further.

321. Subsequently, the convenor of the contact group reported that, among other things, the group had discussed the question of co-financing and there was a common understanding that no specified level of co-financing was needed.

322. The Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/98/61 on matters relating to pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol (decision 96/56);

- (b) To approve:
 - (i) The guidelines for the preparation of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol, contained in annex LXX to the present report;
 - (ii) The guidelines for the implementation of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol, contained in annex LXXI to the present report;
 - (iii) The template Agreement between the Executive Committee and the Article 5 country concerned for pilot projects to establish and operate a regional atmospheric monitoring station, contained in annex LXXII to the present report;
- (c) To establish a funding window of US \$9,250,000 for three pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol, including the preparation, implementation and capacity-building activities as specified in table 1 of document UNEP/OzL.Pro/ExCom/98/61;
- (d) To request that project preparation proposals under the funding window be submitted to the 102nd meeting, and to request the Secretariat to seek the scientific guidance of the Advisory Committee of the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention for the Protection of the Ozone Layer during project review;
- (e) To add to the funding window the amount of US \$1,800,000 for the continuation of operation of three atmospheric monitoring stations to be established with the support of the General Trust Fund, on the understanding that project proposals to access the funding would be submitted to the Executive Committee;
- (f) To encourage Article 5 countries to make use of the expertise of the World Meteorological Organization (WMO) by selecting it as the lead or cooperating implementing agency for pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol;
- (g) To request the Secretariat, in collaboration with WMO, to develop draft agency agreements with the Executive Committee and with the Treasurer, in line with the Agreements between the Committee and the implementing agencies, and the Agreements between the implementing agencies and the Treasurer, for the Committee's consideration and endorsement at its 99th meeting;
- (h) To note:
 - (i) That bilateral and implementing agencies of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol would seek the guidance of the Advisory Committee on preparing and implementing such pilot projects, and would submit a report on implementation of the respective pilot project to the 107th meeting;
 - (ii) That the Secretariat would share relevant information from the preparation and implementation of the pilot projects referred to in subparagraph (h)(i) above with the Advisory Committee;

- (i) To request the Secretariat to prepare, for the 107th meeting, a paper providing an update on the status of implementation, lessons learned and recommendations, if any, from the implementation of project preparation proposals;
- (j) To request the Secretariat to prepare, for the 107th meeting, a paper outlining options for the duration and provision of incremental recurring costs, taking into account the information contained in the reports submitted in line with subparagraph (h)(i) above and other relevant information; and
- (k) To request bilateral and implementing agencies to include in their relevant business plans requests for funding for the projects specified in subparagraph (c) above for Article 5 countries that wished to undertake such projects.

(Decision 98/62)

AGENDA ITEM 15: DRAFT REPORT OF THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL TO THE THIRTY-EIGHTH MEETING OF THE PARTIES

323. The Chief Officer introduced document UNEP/OzL.Pro/ExCom/98/63.

324. The Executive Committee agreed to authorize the Secretariat to finalize the report of the Executive Committee to the Thirty-Eighth Meeting of the Parties to the Montreal Protocol in the light of the discussions held and decisions taken at the 98th meeting, and to submit it to the Ozone Secretariat following clearance by the Chair.

AGENDA ITEM 16: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR

325. There was no meeting of the Sub-group on the Production Sector at the present meeting.

AGENDA ITEM 17: OTHER MATTERS

Assessment of the funding window for energy efficiency established under decision 91/65

326. One member said that there was a desire among Article 5 countries to assess the important funding window for energy efficiency established under decision 91/65. Another member called for the Executive Committee to explore broadening the scope of activities eligible for funding under the window to enable more innovative projects to be included. A third member said that the window had provided invaluable learning-by-doing experience and that its closure would leave a critical policy gap, as Article 5 countries currently lacked a permanent framework to support non-manufacturing energy-efficiency activities in stage II of their KIPs. Accordingly, Article 5 member countries intended to submit a conference room paper outlining how to bridge that gap.

327. One member said that it would be helpful to have a summary of all the projects funded under the window to date. Another member recalled that his delegation had previously questioned the impact and effectiveness of those projects. In any event, the window, which had been carefully negotiated, would remain open until the Committee's 100th meeting, which meant that Article 5 countries still had the opportunity to submit proposals. Rather than revisiting the window, it was important to focus on what was left of it and on the approval of projects under the energy-efficiency revolving fund for end users.

328. The Executive Committee agreed to continue discussions on the issue in the margins of the meeting.

329. Subsequently, one member said that, in the absence of consensus among Article 5 member countries, no conference room paper would be submitted.

330. The Executive Committee agreed to defer consideration of the matter to a future meeting.

Implementation of decision XXXV/13 on the import and export of prohibited cooling equipment

331. One member said that, almost three years on from the adoption of decision XXXV/13 of the Meeting of the Parities, on the import and export of prohibited cooling equipment, nothing had been done to implement it. Article 5 countries continued to face significant challenges in navigating the transition to low-GWP refrigerants, including limited technical capacity. Without the necessary funding, the implementation of the decision could be delayed, undermining progress towards compliance with the Kigali Amendment and the delivery of environmental benefits. The Executive Committee should request the Secretariat to raise, at inter-agency coordination meetings, the matter of how HPMPs and KIPs could address policy elements of the decision, and to reflect any relevant discussions held at those meetings in the reports on its activities submitted to the Committee.

332. One member said that, as the decision concerned policy rather than administrative matters, inter-agency coordination meetings and Secretariat activity reports did not seem the appropriate forum or vehicle for discussing it. Several members noted that countries that had experienced problems stemming from the import of prohibited cooling equipment could include activities to address those issues in their KIPs or, if their KIP had already been approved, in future tranches of it, provided they had the necessary flexibility.

333. One member said that, rather than waiting for countries to submit their KIPs and have them approved, the Committee should take immediate action to implement the decision by establishing a funding window to enable the organization of regional training workshops bringing together all relevant stakeholders, including national ozone unit staff and trade and customs officials.

334. The representative of the Secretariat recalled that the decision was included for the Committee's attention in document UNEP/OzL.Pro/ExCom/93/Inf.3, issued by the Secretariat immediately following the Thirty-Fifth Meeting of the Parties. Two members noted that many approved HPMPs and KIPs included specific training workshops and other awareness and outreach activities. One of them highlighted OzonAction as a valuable regional coordination tool available to Article 5 countries. Another member said that not enough stakeholders were currently attending workshops and that a higher level of engagement was needed.

335. One member suggested that the Committee could adopt a decision acknowledging decision XXXV/13 and encouraging Article 5 countries that were concerned about potential non-compliance with the Kigali Amendment caused by the import of prohibited cooling equipment to include, in new stages of HPMPs and KIPs, activities to strengthen their capacity to prevent such imports. Another member welcomed the idea of adopting a decision but said that reference should also be made to the role that exporting countries could play.

336. As questions remained regarding the possible decision, the Executive Committee agreed that discussions on the matter would continue in the margins of the meeting.

337. Subsequently, the Executive Committee decided:

- (a) Taking into account decision XXXV/13, to remind bilateral and implementing agencies, as well as Article 5 countries that were concerned about potential non-compliance caused by the import of prohibited cooling equipment, that they could include activities within new stages of Kigali HFC implementation plans (KIPs) or HCFC phase-out management plans (HPMPs) to strengthen capacities to prevent such imports; and

- (b) To request the Secretariat to discuss with bilateral and implementing agencies how such activities had been implemented to date and what the relevant challenges were to address, taking into account the potential for regional coordination.

(Decision 98/63)

Project review process of the Secretariat relating to energy-efficiency projects under decision 94/60

338. One member mentioned that the present issue should be discussed under the sub-item above on assessment of a funding window for energy efficiency established under decision 91/65 and should include consideration of documents UNEP/OzL.Pro/ExCom/98/13, UNEP/OzL.Pro/ExCom/98/10 and UNEP/OzL.Pro/ExCom/98/10/Add.2.

339. The same member said that his delegation had concerns over several aspects of the project review process carried out by the Secretariat ahead of the present meeting, including requirements to increase energy-efficiency levels beyond what had originally been proposed without consideration for the associated costs, question marks over the eligibility of enterprises on account of single-year declines in production, challenges to the competence of national authorities to implement minimum standards and use of different criteria for selecting reference years for consumption by companies involved in the same project. In his view, the Secretariat should adhere strictly to the relevant criteria established by the Executive Committee, and issues unrelated to those criteria should not delay the processing of project proposals. In that regard, the assessment of the proposal presented in document UNEP/OzL.Pro/ExCom/98/20/Add.1 and reflected in document UNEP/OzL.Pro/ExCom/98/13 had been completed just two weeks prior to the present meeting because of the need for additional consultations that had required significant coordination efforts among national authorities in Argentina and the enterprises involved. In view of the challenges faced in submitting the project proposal, the Executive Committee should endeavour to approve it at its 99th meeting.

340. The Chief Officer said it was regrettable that, despite the hard work of the national authorities, the implementing agency and the Secretariat, it had not been possible to submit the project in question for consideration by the Committee at the present meeting. During project review, the Secretariat aimed to produce high-quality documents that responded to all questions members might have. It was important for implementing agencies to share with national authorities, on time, all questions and comments by the Secretariat and for the information required for project review to be received within the deadline for consideration by the Committee. The Secretariat was fully committed to concluding discussions on the project in question with the implementing agency and, once that had been done, to presenting the project for consideration at the 99th meeting.

AGENDA ITEM 18: ADOPTION OF THE REPORT

341. The Executive Committee adopted the present report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/98/L.1.

AGENDA ITEM 19: CLOSURE OF THE MEETING

342. The Chief Officer thanked the Fund Treasurer, who was retiring, for his stewardship and collaboration during his tenure as Treasurer since the 75th meeting. She wished him all the best for this future endeavours.

343. Following the customary exchange of courtesies, the Chair closed the meeting at 7 p.m. on Friday, 26 June 2026.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 1 : STATUS OF THE FUND FROM 1991-2026 (IN US DOLLARS)

As at 19/06/2026

INCOME		
Contributions received:		
- Cash payments including note encashments		4,699,262,177
- Promissory notes held		0
- Bilateral cooperation		202,108,723
- Interest earned *		370,031,486
- Miscellaneous income		26,422,453
Total Income		5,297,824,839
ALLOCATIONS** AND PROVISIONS		
- UNDP	1,115,690,211	
- UNEP	512,928,121	
- UNIDO	1,171,608,140	
- World Bank	1,364,464,436	
Unspecified projects	-	
Less Adjustments	-	
Total allocations to implementing agencies		4,164,690,908
Secretariat and Executive Committee costs (1991-2028)		
- includes provision for staff contracts into 2028		189,791,787
Treasury fees (2003-2028)		13,056,982
Monitoring and Evaluation costs (1999-2026)		3,890,175
Technical Audit costs (1998-2010)		1,699,806
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation		202,108,723
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		24,629,209
Total allocations and provisions		4,599,972,341
Cash		697,852,498
Promissory Notes:		
BALANCE AVAILABLE FOR NEW ALLOCATIONS		
		697,852,498

* Includes interest amount US \$1,652,058 earned by FECO/MEP (China).

** Amounts reflect net approvals for which resources are transferred to Implementing Agencies. The Secretariat budget reflects actual costs as per the final 2024 and approved amounts from 1991 - 2028.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
TABLE 2 : 1991 - 2026 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME (US\$)

BALANCE AVAILABLE FOR NEW ALLOCATIONS
As at 19/06/2026

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2011	2012-2014	2015-2017	2018-2020	2021-2023	2024-2026	1991-2026
Pledged contributions	235,029,241	424,841,347	472,567,009	440,000,001	474,000,001	368,976,558	399,640,706	396,815,725	436,198,530	496,274,667	473,714,767	524,544,987	5,142,603,539
Cash payments/received	206,611,034	381,594,829	418,966,144	406,691,769	421,323,976	340,173,880	376,678,075	379,922,493	418,564,012	478,262,866	439,779,589	430,693,510	4,699,262,177
Bilateral assistance	4,366,255	11,870,240	20,836,903	22,591,302	44,246,306	19,671,519	14,151,636	11,412,900	14,168,565	13,681,572	11,711,760	13,399,764	202,108,723
Promissory notes	0	0	0	0	0	0	0	0	0	0	0	0	0
Total payments	210,977,289	393,465,069	439,803,048	429,283,071	465,570,282	359,845,399	390,829,712	391,335,393	432,732,577	491,944,438	451,491,349	444,093,274	4,901,370,900
Disputed contributions	0	8,098,267	0	0	0	31,523,565	405,792	3,477,910	1,301,470	3,725,331	1,285,232	1,055,010	50,872,577
Outstanding pledges	24,051,952	31,376,278	32,763,961	10,716,930	8,429,719	9,131,159	8,810,995	5,480,332	3,465,953	4,330,229	22,223,418	80,451,714	241,232,640
Payments %age to pledges	90%	93%	93%	98%	98%	98%	98%	99%	99%	99%	95%	85%	95%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	43,537,814	10,544,631	6,615,053	8,836,637	25,295,186	37,330,031	86,016,192	370,031,486
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	3,377,184	3,547,653	5,804,410	1,782,834	2,666,182	2,769,663		26,422,453
TOTAL INCOME	217,743,036	423,288,168	485,712,161	484,354,955	486,330,908	406,760,397	404,921,996	403,754,856	443,352,048	519,905,805	491,591,042	530,109,466	5,297,824,839
Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2011	2012-2014	2015-2017	2018-2020	2021-2023	2024-2026	1991-2026
Total pledges	235,029,241	424,841,347	472,567,009	440,000,001	474,000,001	368,976,558	399,640,706	396,815,725	436,198,530	496,274,667	473,714,767	524,544,987	5,142,603,539
Total payments	210,977,289	393,465,069	439,803,048	429,283,071	465,570,282	359,845,399	390,829,712	391,335,393	432,732,577	491,944,438	451,491,349	444,093,274	4,901,370,900
Payments %age to pledges	90%	93%	93%	98%	98%	98%	97.80%	98.62%	99.21%	99.13%	95.31%	84.66%	95.31%
Total income	217,743,036	423,288,168	485,712,161	484,354,955	486,330,908	406,760,397	404,921,996	403,754,856	443,352,048	519,905,805	491,591,042	530,109,466	5,297,824,839
Total outstanding contributions	24,051,952	31,376,278	32,763,961	10,716,930	8,429,719	9,131,159	8,810,995	5,480,332	3,465,953	4,330,229	22,223,418	80,451,714	241,232,640
As % to total pledges	0	0	0	0	0	0	2.20%	1.38%	0.79%	0.87%	4.69%	15.34%	4.69%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,051,952	31,376,278	32,763,961	9,811,798	7,511,984	5,940,206	6,211,155	3,520,928	1,065,047	1,384,168	18,185,484	16,258,439	158,081,400
CEITs' outstandings %age to pledges	10.23%	7.39%	6.93%	2.23%	1.58%	1.61%	1.55%	0.89%	0.24%	0.28%	3.84%	3.10%	3.07%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Ukraine and Uzbekistan, including Turkmenistan up to 2004 as per decision XVI/39.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 3 : 1991-2026 Summary Status of Contributions (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB:Negative amount = Gain
Andorra	247,990	233,148	0	0	14,842	0
Australia*	130,019,426	126,674,849	3,344,576	0	0	2,791,373
Austria	55,769,049	52,599,067	1,307,290	0	1,862,692	495,474
Azerbaijan	2,315,518	311,683	0	0	2,003,835	0
Belarus	4,582,067	1,312,524	0	0	3,269,543	0
Belgium	68,954,434	68,954,435	0	0	0	2,460,006
Bulgaria	2,926,081	2,759,851	0	0	166,230	0
Canada*	200,566,718	188,396,748	10,802,182	0	1,367,787	-452,919
Croatia	3,087,761	2,649,730	0	0	438,031	159,590
Cyprus	2,003,743	1,896,881	0	0	106,862	47,318
Czech Republic	20,237,557	19,960,624	276,933	0	0	726,085
Denmark	45,873,190	45,712,137	161,053	0	0	-211,291
Estonia	1,700,831	1,700,831	0	0	1	43,770
Finland	35,622,035	35,299,732	322,303	0	0	-127,837
France	390,016,635	373,395,092	16,621,543	0	0	-5,209,692
Germany	547,767,293	451,652,215	96,249,967	0	-134,889	5,522,488
Greece	32,179,969	32,179,969	0	0	0	-1,325,842
Holy See	35,365	35,365	0	0	0	0
Hungary	13,260,433	13,213,939	46,494	0	0	102,932
Iceland	2,198,420	1,659,567	0	0	538,853	51,218
Ireland	23,819,039	23,819,039	0	0	0	856,584
Israel	27,994,699	4,844,671	70,453	0	23,079,575	0
Italy	303,549,023	284,479,453	19,069,571	0	0	6,589,048
Japan	896,900,601	874,293,372	19,626,592	0	2,980,637	0
Kazakhstan	4,878,460	4,878,460	0	0	0	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	2,148,467	2,148,467	0	0	0	-34,058
Liechtenstein	586,542	586,542	0	0	0	0
Lithuania	3,296,623	2,803,655	0	0	492,968	-36,010
Luxembourg	5,049,151	5,049,151	0	0	0	17,635
Malta	787,258	787,258	0	0	0	15,485
Monaco	534,943	534,943	0	0	0	-572
Netherlands	110,563,739	110,563,738	0	0	0	0
New Zealand	18,086,698	18,086,697	0	0	0	665,766
Norway	49,495,574	49,495,573	0	0	0	1,917,046
Panama	16,915	16,915	0	0	0	0
Poland	39,830,969	39,717,969	113,000	0	0	1,436,467
Portugal	27,237,387	26,141,803	47,743	0	1,047,842	203,081
Romania	8,426,345	7,500,196	0	0	926,149	-12,058
Russian Federation	186,741,364	45,911,441	666,676	0	140,163,247	6,576,265
San Marino	101,132	101,133	0	0	-1	3,429
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	7,960,378	7,943,856	16,523	0	-1	121,117
Slovenia	4,468,224	4,468,224	0	0	0	10,203
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	172,683,701	166,240,949	6,442,752	0	0	2,579,423
Sweden	70,950,701	69,376,373	1,574,328	0	0	377,843
Switzerland	80,943,535	79,030,304	1,913,230	0	1	-2,915,386
Tajikistan	222,795	67,991	0	0	154,804	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	11,983,378	1,303,750	0	0	10,679,628	0
United Arab Emirates	559,639	559,639	0	0	0	0
United Kingdom	363,497,930	349,352,726	1,766,347	0	12,378,857	1,185,229
United States of America	1,153,522,643	1,093,411,453	21,567,191	0	38,544,000	0
Uzbekistan	1,496,463	632,800	0	0	863,663	0
SUB-TOTAL	5,142,603,539	4,699,262,177	202,108,723	0	241,232,640	24,629,209
Disputed Contributions***	50,872,577	0	0	0	50,872,577	
TOTAL	5,193,476,116	4,699,262,177	202,108,723	0	292,105,216	

NB: (*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39th meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40th meeting to read US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$6,414,880 respectively.

(**) In accordance with decisions VI/5 and XVI/39 of the meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 in 2004 and therefore its contribution of US \$5,764 for 2005 should be disregarded.

(***) Amount netted off from outstanding contributions and are shown here for records only.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 4 : Status of Contributions for 2024-2026 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	44,526	29,684	0	0	14,842
Australia	18,798,846	18,038,829	760,017	0	0
Austria	6,046,620	3,400,261	783,667	0	1,862,692
Azerbaijan	267,156	0	0	0	267,156
Belarus	365,112	244,876	0	0	120,236
Belgium	7,373,493	7,373,493	0	0	0
Bulgaria	498,690	332,460	0	0	166,230
Canada	23,402,826	22,035,038	0	0	1,367,788
Croatia	810,372	372,340	0	0	438,032
Cyprus	320,586	213,724	0	0	106,862
Czech Republic	3,027,762	3,027,762	0	0	0
Denmark	4,924,566	4,924,566	0	0	0
Estonia	391,827	391,827	0	0	0
Finland	3,713,463	3,713,463	0	0	0
France	38,452,590	38,452,590	0	0	0
Germany	54,419,586	43,535,669	10,654,733	0	229,184
Greece	2,894,184	2,894,184	0	0	0
Holy See	8,904	8,904	0	0	0
Hungary	2,030,382	2,030,382	0	0	0
Iceland	320,586	0	0	0	320,586
Ireland	3,909,375	3,909,375	0	0	0
Israel	4,995,810	1,020,000	0	0	3,975,810
Italy	28,398,636	28,398,636	0	0	0
Japan	71,535,351	68,554,711	0	0	2,980,640
Kazakhstan	1,184,391	1,184,391	0	0	0
Latvia	445,260	445,260	0	0	0
Liechtenstein	89,052	89,052	0	0	0
Lithuania	685,698	685,698	0	0	0
Luxembourg	605,553	605,553	0	0	0
Malta	169,200	169,200	0	0	0
Monaco	97,956	97,956	0	0	0
Netherlands	12,262,440	12,262,440	0	0	0
New Zealand	2,751,702	2,751,702	0	0	0
Norway	6,046,620	6,046,620	0	0	0
Poland	7,453,641	7,453,641	0	0	0
Portugal	3,143,529	2,095,686	0	0	1,047,843
Romania	2,778,417	1,852,278	0	0	926,139
Russian Federation	16,617,075	1,500,000	0	0	15,117,075
San Marino	17,811	17,811	0	0	0
Slovak Republic	1,380,303	1,380,303	0	0	0
Slovenia	703,509	703,509	0	0	0
Spain	19,003,665	19,003,665	0	0	0
Sweden	7,756,416	7,756,416	0	0	0
Switzerland	10,098,480	10,098,480	0	0	0
Tajikistan	26,715	17,810	0	0	8,905
Ukraine	498,690	0	0	0	498,690
United Kingdom	38,960,184	25,379,980	1,201,347	0	12,378,857
United States of America	114,576,990	76,032,990	0	0	38,544,000
Uzbekistan	240,441	160,294	0	0	80,147
TOTAL	524,544,987	430,693,510	13,399,764		80,451,714
Disputed Contributions(*)	1,055,010		0		1,055,010
TOTAL	525,599,997	430,693,510	13,399,764		81,506,723

(*) Additional amount on disputed contributions from the United States of America.

CEITs	35,816,652	19,558,213	0		16,258,439
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 5 : Status of Contributions for 2026 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	14,842				14,842
Australia	6,266,282	6,266,282			0
Austria	2,015,540	152,848			1,862,692
Azerbaijan	89,052				89,052
Belarus	121,704	1,468			120,236
Belgium	2,457,831	2,457,831			0
Bulgaria	166,230				166,230
Canada	7,800,942	6,433,154			1,367,788
Croatia	270,124				270,124
Cyprus	106,862				106,862
Czech Republic	1,009,254	1,009,254			0
Denmark	1,641,522	1,641,522			0
Estonia	130,609	130,609			0
Finland	1,237,821	1,237,821			0
France	12,817,530	12,817,530			0
Germany	18,139,862	17,910,678			229,184
Greece	964,728	964,728			0
Holy See	2,968	2,968			0
Hungary	676,794	676,794			0
Iceland	106,862				106,862
Ireland	1,303,125	1,303,125			0
Israel	1,665,270	1,020,000			645,270
Italy	9,466,212	9,466,212			0
Japan	23,845,117	20,864,477			2,980,640
Kazakhstan	394,797	394,797			0
Latvia	148,420	148,420			0
Liechtenstein	29,684	29,684			0
Lithuania	228,566	228,566			0
Luxembourg	201,851	201,851			0
Malta	56,400	56,400			0
Monaco	32,652	32,652			0
Netherlands	4,087,480	4,087,480			0
New Zealand	917,234	917,234			0
Norway	2,015,540	2,015,540			0
Poland	2,484,547	2,484,547			0
Portugal	1,047,843				1,047,843
Romania	926,139				926,139
Russian Federation	5,539,025				5,539,025
San Marino	5,937	5,937			0
Slovak Republic	460,101	460,101			0
Slovenia	234,503	234,503			0
Spain	6,334,555	6,334,555			0
Sweden	2,585,472	2,585,472			0
Switzerland	3,366,160	3,366,160			0
Tajikistan	8,905				8,905
Ukraine	166,230				166,230
United Kingdom	12,986,728				12,986,728
United States of America	38,544,000				38,544,000
Uzbekistan	80,147				80,147
TOTAL	175,199,999	107,941,200	0		67,258,799
Disputed Contributions	0	0	0		0
TOTAL	175,199,999	107,941,200	0		67,258,799

CEITs	11,938,884	5,769,059	0	0	6,169,825
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 6 : Status of Contributions for 2025 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	14,842	14,842			0
Australia	6,266,282	6,266,282			0
Austria	2,015,540	2,015,540			0
Azerbaijan	89,052				89,052
Belarus	121,704	121,704			0
Belgium	2,457,831	2,457,831			0
Bulgaria	166,230	166,230			0
Canada	7,800,942	7,800,942			0
Croatia	270,124	270,124			0
Cyprus	106,862	106,862			0
Czech Republic	1,009,254	1,009,254			0
Denmark	1,641,522	1,641,522			0
Estonia	130,609	130,609			0
Finland	1,237,821	1,237,821			0
France	12,817,530	12,817,530			0
Germany	18,139,862	15,575,315	534,587		2,029,960
Greece	964,728	964,728			0
Holy See	2,968	2,968			0
Hungary	676,794	676,794			0
Iceland	106,862				106,862
Ireland	1,303,125	1,303,125			0
Israel	1,665,270				1,665,270
Italy	9,466,212	9,466,212			0
Japan	23,845,117	23,845,117			0
Kazakhstan	394,797	394,797			0
Latvia	148,420	148,420			0
Liechtenstein	29,684	29,684			0
Lithuania	228,566	228,566			0
Luxembourg	201,851	201,851			0
Malta	56,400	56,400			0
Monaco	32,652	32,652			0
Netherlands	4,087,480	4,087,480			0
New Zealand	917,234	917,234			0
Norway	2,015,540	2,015,540			0
Poland	2,484,547	2,484,547			0
Portugal	1,047,843	1,047,843			0
Romania	926,139	926,139			0
Russian Federation	5,539,025				5,539,025
San Marino	5,937	5,937			0
Slovak Republic	460,101	460,101			0
Slovenia	234,503	234,503			0
Spain	6,334,555	6,334,555			0
Sweden	2,585,472	2,585,472			0
Switzerland	3,366,160	3,366,160			0
Tajikistan	8,905	8,905			0
Ukraine	166,230				166,230
United Kingdom	12,986,728	12,461,052	641,771		-116,095
United States of America	37,856,135	37,856,135			0
Uzbekistan	80,147	80,147			0
TOTAL	174,512,134	163,855,472	1,176,358		9,480,304
Disputed Contributions(*)	687,865				687,865
TOTAL	175,199,999	163,855,472	1,176,358		10,168,169

(*) Additional amount on disputed contributions from the United States of America.

CEITs	11,938,884	6,144,577	0	0	5,794,307
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 7 : Status of Contributions for 2024 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	14,842	14,842			0
Australia	6,266,282	5,506,265	760,017		0
Austria	2,015,540	1,231,873	783,667		0
Azerbaijan	89,052				89,052
Belarus	121,704	121,704			0
Belgium	2,457,831	2,457,831			0
Bulgaria	166,230	166,230			0
Canada	7,800,942	7,800,942			0
Croatia	270,124	102,216			167,908
Cyprus	106,862	106,862			0
Czech Republic	1,009,254	1,009,254			0
Denmark	1,641,522	1,641,522			0
Estonia	130,609	130,609			0
Finland	1,237,821	1,237,821			0
France	12,817,530	12,817,530			0
Germany	18,139,862	10,049,676	10,120,146		-2,029,960
Greece	964,728	964,728			0
Holy See	2,968	2,968			0
Hungary	676,794	676,794			0
Iceland	106,862				106,862
Ireland	1,303,125	1,303,125			0
Israel	1,665,270				1,665,270
Italy	9,466,212	9,466,212			0
Japan	23,845,117	23,845,117			0
Kazakhstan	394,797	394,797			0
Latvia	148,420	148,420			0
Liechtenstein	29,684	29,684			0
Lithuania	228,566	228,566			0
Luxembourg	201,851	201,851			0
Malta	56,400	56,400			0
Monaco	32,652	32,652			0
Netherlands	4,087,480	4,087,480			0
New Zealand	917,234	917,234			0
Norway	2,015,540	2,015,540			0
Poland	2,484,547	2,484,547			0
Portugal	1,047,843	1,047,843			0
Romania	926,139	926,139			0
Russian Federation	5,539,025	1,500,000			4,039,025
San Marino	5,937	5,937			0
Slovak Republic	460,101	460,101			0
Slovenia	234,503	234,503			0
Spain	6,334,555	6,334,555			0
Sweden	2,585,472	2,585,472			0
Switzerland	3,366,160	3,366,160			0
Tajikistan	8,905	8,905			0
Ukraine	166,230				166,230
United Kingdom	12,986,728	12,918,928	559,576		-491,776
United States of America	38,176,855	38,176,855			0
Uzbekistan	80,147	80,147			0
TOTAL	174,832,854	158,896,837	12,223,406		3,712,611
Disputed Contributions(*)	367,145				367,145
TOTAL	175,199,999	158,896,837	12,223,406		4,079,756

(*) Additional amount on disputed contributions from the United States of America.

CEITs	11,938,884	7,644,577	0	0	4,294,307
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 8 : Status of Contributions for 2021-2023 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	38,976	38,976	0		0
Australia	17,227,482	16,675,094	552,388		0
Austria	5,277,378	4,885,545	391,833		0
Azerbaijan	381,967	0	0		381,967
Belarus	381,967	381,966	0		1
Belgium	6,399,893	6,399,893	0		0
Bulgaria	358,581	358,581	0		0
Canada	21,312,188	21,312,189	0		-1
Croatia	600,234	600,234	0		0
Cyprus	280,629	280,629	0		0
Czech Republic	2,424,320	2,424,320	0		0
Denmark	4,318,563	4,318,563	0		0
Estonia	304,014	304,014	0		0
Finland	3,281,796	3,281,796	0		0
France	34,509,531	33,870,267	639,264		0
Germany	47,473,016	37,978,413	9,494,603		0
Greece	2,853,058	2,853,058	0		0
Holy See	7,795	7,795	0		0
Hungary	1,605,820	1,605,820	0		0
Iceland	218,267	0	0		218,267
Ireland	2,892,034	2,892,034	0		0
Israel	3,819,668	0	0		3,819,668
Italy	25,778,861	25,514,021	264,840		0
Japan	66,758,442	66,389,610	368,832		0
Kazakhstan	1,387,553	1,387,553	0		0
Latvia	366,376	366,376	0		0
Liechtenstein	70,157	70,157	0		0
Lithuania	553,462	553,462	0		0
Luxembourg	522,281	522,281	0		0
Malta	132,519	132,519	0		0
Monaco	85,748	85,748	0		0
Netherlands	10,570,347	10,570,347	0		0
New Zealand	2,268,415	2,268,415	0		0
Norway	5,877,612	5,877,612	0		0
Poland	6,251,783	6,251,783	0		0
Portugal	2,728,334	2,728,334	0		0
Romania	1,543,458	1,543,458	0		0
Russian Federation	18,747,554	1,500,000	0		17,247,554
San Marino	15,590	15,591	0		-1
Slovak Republic	1,192,672	1,192,672	0		0
Slovenia	592,438	592,438	0		0
Spain	16,728,587	16,728,587	0		0
Sweden	7,062,488	7,062,488	0		0
Switzerland	8,972,322	8,972,322	0		0
Tajikistan	31,181	1,095	0		30,086
Ukraine	444,329	0	0		444,329
United Kingdom	35,600,865	35,600,865	0		0
United States of America	103,214,768	103,214,767	0		1
Uzbekistan	249,448	167,900	0		81,548
TOTAL	473,714,767	439,779,589	11,711,760		22,223,418
Disputed Contributions(*)	1,285,232	0	0		1,285,232
TOTAL	474,999,999	439,779,589	11,711,760		23,508,650

(*) Additional amount on disputed contributions from the United States of America.

CEITs	35,273,465	17,087,981	0		18,185,484
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 9 : Status of Contributions for **2023** (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,992	12,992			0
Australia	5,742,494	6,371,886	552,388		-1,181,780
Austria	1,759,126	1,759,126			0
Azerbaijan	127,322				127,322
Belarus	127,322	127,322			0
Belgium	2,133,298	1,820,103			313,195
Bulgaria	119,527	131,915			-12,388
Canada	7,104,063	7,039,897			64,165
Croatia	200,078	97,650			102,428
Cyprus	93,543	58,173			35,370
Czech Republic	808,107	690,320			117,787
Denmark	1,439,521	1,306,566			132,955
Estonia	101,338	58,241			43,097
Finland	1,093,932	1,093,923			9
France	11,503,177	11,503,177			0
Germany	15,824,339	12,861,009	924,834		2,038,496
Greece	951,019	683,308			267,711
Holy See	2,598	2,599			-1
Hungary	535,273	757,369			-222,096
Iceland	72,756				72,756
Ireland	964,011	964,003			8
Israel	1,273,223				1,273,223
Italy	8,592,954	8,592,877			77
Japan	22,252,814	24,871,335	67,800		-2,686,321
Kazakhstan	462,518	462,518			0
Latvia	122,125	107,640			14,485
Liechtenstein	23,386	23,385			1
Lithuania	184,487	180,760			3,727
Luxembourg	174,094	190,991			-16,897
Malta	44,173	44,173			0
Monaco	28,583	28,582			1
Netherlands	3,523,449	3,100,681			422,768
New Zealand	756,138	1,068,869			-312,731
Norway	1,959,204	2,178,456			-219,252
Poland	2,083,928	2,083,928			0
Portugal	909,445	700,180			209,265
Romania	514,486	514,486			0
Russian Federation	6,249,185				6,249,185
San Marino	5,197	5,197			0
Slovak Republic	397,557	364,788			32,769
Slovenia	197,479	157,790			39,689
Spain	5,576,196	4,085,805			1,490,391
Sweden	2,354,163	2,354,186			-23
Switzerland	2,990,774	1,919,582			1,071,192
Tajikistan	10,394	1,095			9,299
Ukraine	148,110				148,110
United Kingdom	11,866,955	12,792,603			-925,648
United States of America	34,514,874	34,514,874			0
Uzbekistan	83,149	55,200			27,949
TOTAL	158,014,874	147,739,560	1,545,022		8,730,292
Disputed Contributions(*)	318,459				318,459
TOTAL	158,333,333	147,739,560	1,545,022		9,048,751

(*) Additional amount on disputed contributions from the United States of America.

CEITs	11,757,822	5,178,886	0	0	6,578,935
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 10 : Status of Contributions for 2022 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,992	10,817			2,175
Australia	5,742,494	5,151,604			590,890
Austria	1,759,126	1,367,293	391,833		0
Azerbaijan	127,322				127,322
Belarus	127,322	113,477			13,845
Belgium	2,133,298	2,289,845			-156,547
Bulgaria	119,527	113,333			6,194
Canada	7,104,063	7,111,395			-7,332
Croatia	200,078	251,292			-51,214
Cyprus	93,543	111,228			-17,685
Czech Republic	808,107	867,000			-58,893
Denmark	1,439,521	1,505,999			-66,478
Estonia	101,338	98,394			2,944
Finland	1,093,932	1,007,992			85,940
France	11,503,177	10,433,663			1,069,514
Germany	15,824,339	5,540,479	4,253,137		6,030,723
Greece	951,019	951,024			-5
Holy See	2,598	2,598			0
Hungary	535,273	428,657			106,616
Iceland	72,756				72,756
Ireland	964,011	1,061,131			-97,120
Israel	1,273,223				1,273,223
Italy	8,592,954	7,488,030			1,104,924
Japan	22,252,814	24,395,165			-2,142,351
Kazakhstan	462,518	462,518			0
Latvia	122,125	129,368			-7,243
Liechtenstein	23,386	23,386			0
Lithuania	184,487	186,351			-1,864
Luxembourg	174,094	165,645			8,449
Malta	44,173	44,173			0
Monaco	28,583	28,583			0
Netherlands	3,523,449	3,734,833			-211,384
New Zealand	756,138	599,773			156,365
Norway	1,959,204	1,849,578			109,626
Poland	2,083,928	2,217,357			-133,429
Portugal	909,445	1,014,236			-104,791
Romania	514,486	514,486			0
Russian Federation	6,249,185				6,249,185
San Marino	5,197	5,197			0
Slovak Republic	397,557	413,942			-16,385
Slovenia	197,479	217,324			-19,845
Spain	5,576,196	6,321,391			-745,195
Sweden	2,354,163	2,493,780			-139,617
Switzerland	2,990,774	2,990,774			0
Tajikistan	10,394				10,394
Ukraine	148,110				148,110
United Kingdom	11,866,955	12,610,340			-743,385
United States of America	34,000,879	34,000,879			0
Uzbekistan	83,149	54,700			28,449
TOTAL	157,500,879	140,379,030	4,644,970		12,476,879
Disputed Contributions(*)	832,454				832,454
TOTAL	158,333,333	140,379,030	4,644,970		13,309,333

(*) Additional amount on disputed contributions from the United States of America.

CEITs	11,757,822	5,302,421	0	0	6,455,400
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 11 : Status of Contributions for 2021 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,992	15,167			-2,175
Australia	5,742,494	5,151,604			590,890
Austria	1,759,126	1,759,126	0		0
Azerbaijan	127,322				127,322
Belarus	127,322	141,167			-13,845
Belgium	2,133,298	2,289,945			-156,647
Bulgaria	119,527	113,333			6,194
Canada	7,104,063	7,160,896			-56,834
Croatia	200,078	251,292			-51,214
Cyprus	93,543	111,228			-17,685
Czech Republic	808,107	867,000			-58,893
Denmark	1,439,521	1,505,999			-66,478
Estonia	101,338	147,378			-46,040
Finland	1,093,932	1,179,881			-85,949
France	11,503,177	11,933,427	639,264		-1,069,514
Germany	15,824,339	19,576,925	4,316,632		-8,069,218
Greece	951,019	1,218,726			-267,707
Holy See	2,598	2,598			0
Hungary	535,273	419,794			115,479
Iceland	72,756				72,756
Ireland	964,011	866,900			97,111
Israel	1,273,223				1,273,223
Italy	8,592,954	9,433,114	264,840		-1,105,001
Japan	22,252,814	17,123,110	301,032		4,828,672
Kazakhstan	462,518	462,518			0
Latvia	122,125	129,368			-7,243
Liechtenstein	23,386	23,386			0
Lithuania	184,487	186,351			-1,864
Luxembourg	174,094	165,645			8,448
Malta	44,173	44,173			0
Monaco	28,583	28,583			0
Netherlands	3,523,449	3,734,833			-211,384
New Zealand	756,138	599,773			156,365
Norway	1,959,204	1,849,578			109,626
Poland	2,083,928	1,950,498			133,429
Portugal	909,445	1,013,918			-104,473
Romania	514,486	514,486			0
Russian Federation	6,249,185	1,500,000			4,749,185
San Marino	5,197	5,197			0
Slovak Republic	397,557	413,942			-16,385
Slovenia	197,479	217,324			-19,845
Spain	5,576,196	6,321,391			-745,195
Sweden	2,354,163	2,214,522			139,641
Switzerland	2,990,774	4,061,965			-1,071,191
Tajikistan	10,394				10,394
Ukraine	148,110				148,110
United Kingdom	11,866,955	10,197,922			1,669,033
United States of America	34,699,014	34,699,014			0
Uzbekistan	83,149	58,000			25,149
TOTAL	158,199,014	151,660,999	5,521,768	0	1,016,247
Disputed Contributions(*)	134,319				134,319
TOTAL	158,333,333	151,660,999	5,521,768	0	1,150,566

(*) Additional amount on disputed contributions from the United States of America.

CEITs	11,757,822	6,606,673	0	0	5,151,148
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 12 : Status of Contributions for **2018-2020 (US\$)**

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	45,501	45,501	0	0	0
Australia	17,669,001	17,247,737	421,264	0	0
Austria	5,443,500	5,443,500	0	0	0
Azerbaijan	453,501	0	0	0	453,501
Belarus	423,501	359,334	0	0	64,167
Belgium	6,690,999	6,690,999	0	0	0
Bulgaria	339,999	339,999	0	0	0
Canada	22,083,999	21,029,237	1,054,762	0	0
Croatia	748,500	748,500	0	0	0
Cyprus	324,999	324,999	0	0	0
Czech Republic	2,601,000	2,601,000	0	0	0
Denmark	4,415,499	4,415,499	0	0	0
Estonia	287,499	287,499	0	0	0
Finland	3,447,501	3,447,501	0	0	0
France	36,736,500	36,596,945	139,555	0	0
Germany	48,303,999	38,948,149	9,660,801	0	-304,951
Greece	3,561,000	3,561,000	0	0	0
Holy See	7,500	7,500	0	0	0
Hungary	1,217,001	1,217,001	0	0	0
Iceland	174,000	174,000	0	0	0
Ireland	2,532,999	2,532,999	0	0	0
Israel	3,251,001	0	0	0	3,251,001
Italy	28,336,500	27,399,738	936,762	0	0
Japan	71,890,118	71,614,421	275,697	0	0
Kazakhstan	1,443,999	1,443,999	0	0	0
Latvia	378,000	378,000	0	0	0
Liechtenstein	53,001	53,001	0	0	0
Lithuania	544,500	544,500	0	0	0
Luxembourg	483,999	483,999	0	0	0
Malta	120,999	120,999	0	0	0
Monaco	75,501	75,501	0	0	0
Netherlands	11,204,499	11,204,499	0	0	0
New Zealand	2,025,999	2,025,999	0	0	0
Norway	6,419,001	6,419,001	0	0	0
Poland	6,358,500	6,358,500	0	0	0
Portugal	2,963,499	2,963,499	0	0	0
Romania	1,391,001	1,390,991	0	0	10
Russian Federation	23,346,999	23,346,999	0	0	0
San Marino	22,500	22,500	0	0	0
Slovak Republic	1,209,501	1,209,501	0	0	0
Slovenia	635,001	635,001	0	0	0
Spain	18,470,499	17,277,768	1,192,731	0	0
Sweden	7,227,999	7,227,999	0	0	0
Switzerland	8,619,000	8,619,000	0	0	0
Tajikistan	30,000	0	0	0	30,000
Ukraine	778,500	0	0	0	778,500
United Kingdom	33,742,500	33,742,500	0	0	0
United States of America	107,570,053	107,570,053	0	0	0
Uzbekistan	174,000	116,000	0	0	58,000
TOTAL	496,274,667	478,262,866	13,681,572	0	4,330,229
Disputed Contributions(*)	3,725,331	0	0	0	3,725,331
TOTAL	499,999,998	478,262,866	13,681,572	0	8,055,560

*Additional amount on disputed contributions relates to the United States of America (US \$2,429,948) and Japan (US \$1,295,383).

CEITs	40,221,501	38,837,333	0	0	1,384,168
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TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 13 : Status of Contributions for 2020 (US\$)

As at 19/06/2026

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	15,167	15,167			0
Australia	5,889,667	5,468,403	421,264		0
Austria	1,814,500	1,814,500			0
Azerbaijan	151,167				151,167
Belarus	141,167	141,167			0
Belgium	2,230,333	2,230,333			0
Bulgaria	113,333	113,333			0
Canada	7,361,333	6,936,571	424,762		0
Croatia	249,500	249,500			0
Cyprus	108,333	108,333			0
Czech Republic	867,000	867,000			0
Denmark	1,471,833	1,471,833			0
Estonia	95,833	95,833			0
Finland	1,149,167	1,149,167			0
France	12,245,500	12,218,945	26,555		0
Germany	16,101,333	12,913,708	3,187,625		0
Greece	1,187,000	1,187,000			0
Holy See	2,500	2,500			0
Hungary	405,667	405,667			0
Iceland	58,000	58,000			0
Ireland	844,333	844,333			0
Israel	1,083,667				1,083,667
Italy	9,445,500	9,445,500			0
Japan	24,395,167	24,395,167			0
Kazakhstan	481,333	481,333			0
Latvia	126,000	126,000			0
Liechtenstein	17,667	17,667			0
Lithuania	181,500	181,500			0
Luxembourg	161,333	161,333			0
Malta	40,333	40,333			0
Monaco	25,167	25,167			0
Netherlands	3,734,833	3,734,833			0
New Zealand	675,333	675,333			0
Norway	2,139,667	2,139,667			0
Poland	2,119,500	2,119,500			0
Portugal	987,833	987,833			0
Romania	463,667	463,667			0
Russian Federation	7,782,333	7,782,333			0
San Marino	7,500	7,500			0
Slovak Republic	403,167	403,167			0
Slovenia	211,667	211,667			0
Spain	6,156,833	6,156,833			0
Sweden	2,409,333	2,409,333			0
Switzerland	2,873,000	2,873,000			0
Tajikistan	10,000				10,000
Ukraine	259,500				259,500
United Kingdom	11,247,500	11,247,500			0
United States of America	35,479,891	35,479,891			0
Uzbekistan	58,000	58,000			0
TOTAL	165,479,890	159,915,350	4,060,206	0	1,504,334
Disputed Contributions(*)	1,186,776				1,186,776
TOTAL	166,666,666	159,915,350	4,060,206	0	2,691,110

(*) Additional amount on disputed contributions from the United States of America.

CEITs	13,407,167	12,986,500	0	0	420,667
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Annex II

**PROJECTS THAT ARE CLASSIFIED AS “SOME PROGRESS” AND ARE RECOMMENDED
FOR CONTINUED MONITORING**

Country	Project code	Project title	Agency
Democratic Republic of the Congo (the)	DRC/PHA/88/INV/49	HCFC phase-out management plan (stage II, first tranche)	UNDP
Iran (Islamic Republic of)	IRA/PHA/92/INV/267	HCFC phase-out management plan (stage II, fourth tranche) (foam sector)	UNDP
Iran (Islamic Republic of)	IRA/PHA/86/INV/245	HCFC phase-out management plan (stage II, third tranche) (foam sector)	UNDP
Iran (Islamic Republic of)	IRA/PHA/86/TAS/248	HCFC phase-out management plan (stage II, third tranche) (refrigeration servicing sector)	UNEP
Iran (Islamic Republic of)	IRA/PHA/92/INV/266	HCFC phase-out management plan (stage II, fourth tranche) (commercial refrigeration sector)	UNDP
Kuwait	KUW/PHA/88/TAS/42	HCFC phase-out management plan (stage II, first tranche)	UNEP
Qatar	QAT/PHA/88/INV/26	HCFC phase-out management plan (stage II, first tranche)	UNIDO
Syrian Arab Republic (the)	SYR/PHA/86/INV/107	HCFC phase-out management plan (stage I, first tranche)	UNIDO
Syrian Arab Republic (the)	SYR/PHA/86/TAS/106	HCFC phase-out management plan (stage I, first tranche)	UNEP
Syrian Arab Republic (the)	SYR/PHA/91/INV/112	HCFC phase-out management plan (stage I, second tranche) (polyurethane foam sector)	UNIDO
Syrian Arab Republic (the)	SYR/PHA/91/TAS/114	HCFC phase-out management plan (stage I, second tranche)	UNEP

Annex III

PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS ARE REQUESTED

Country	Project code	Project title	Agency	Recommendation to the 98th meeting
Myanmar	MYA/SEV/84/INS/22	Extension of institutional strengthening project (phase V: 7/2020-6/2022)	UNEP	To request UNEP to submit a status report to the 99 th meeting on the resumption of activities
Nepal	NEP/PHA/86/TAS/43	HCFC phase-out management plan (stage II, first tranche)	UNEP	To request UNEP to submit a status report to the 99 th meeting on the status of implementation of activities and transfer of funds to the Government
Seychelles	SEY/EEF/93/TAS/32	HCFC phase-out management plan (stage I) (Additional activities to maintain energy efficiency in the servicing sector under decision 89/6(b))	Germany	To request the Government of Germany to submit a status report to the 99 th meeting on implementation progress
Yemen	YEM/SEV/93/INS/47	Extension of the institutional strengthening project (phase IX: 1/2024-12/2026)	UNEP	To request UNEP to submit a status report to the 99 th meeting on implementation progress

Annex IV

**AGREEMENT BETWEEN THE GOVERNMENT OF BENIN
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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Benin (“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 1,687,551 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	1,875,057	1,875,057	1,875,057	1,875,057	1,875,057	1,687,551	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	1,875,057	1,875,057	1,875,057	1,875,057	1,875,057	1,687,551	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		117,500	0	0	102,500	0	0	220,000
2.2	Support costs for Lead IA (US \$)		15,275	0	0	13,325	0	0	28,600
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		60,000	0	0	80,000	0	0	140,000
2.4	Support costs for Cooperating IA (US \$)		7,800	0	0	10,400	0	0	18,200
3.1	Total agreed funding (US \$)		177,500	0	0	182,500	0	0	360,000
3.2	Total support costs (US \$)		23,075	0	0	23,725	0	0	46,800
3.3	Total agreed costs (US \$)		200,575	0	0	206,225	0	0	406,800

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 national ozone unit, under the Ministry of Living Environment and Sustainable Development, is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of Living Environment and Sustainable Development 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 V

**AGREEMENT BETWEEN THE GOVERNMENT OF CAMBODIA
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 Cambodia (“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 1,137,038 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

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	1,263,376	1,263,376	1,263,376	1,263,376	1,263,376	1,137,038	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	1,263,376	1,263,376	1,263,376	1,263,376	1,263,376	1,137,038	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		126,300	0	0	108,000	0	0	44,500	278,800
2.2	Support costs for Lead IA (US \$)		16,419	0	0	14,040	0	0	5,785	36,244
2.3	Cooperating IA (UNDP) agreed funding (US \$)		123,810	0	0	38,075	0	0	0	161,885
2.4	Support costs for Cooperating IA (US \$)		11,143	0	0	3,427	0	0	0	14,570
3.1	Total agreed funding (US \$)		250,110	0	0	146,075	0	0	44,500	440,685
3.2	Total support costs (US \$)		27,562	0	0	17,467	0	0	5,785	50,814
3.3	Total agreed costs (US \$)		277,672	0	0	163,542	0	0	50,285	491,499
4.1.1	Deductions of HFCs agreed under this Agreement (CO ₂ -eq tonnes)								126,338	
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)								0	
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD	

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 national ozone unit (NOU) under the Ministry of Environment (MoE) will be responsible for the overall monitoring of all activities under the Plan, as well as the planning, coordination, and daily work of project implementation.

2. Monitoring will be conducted to ensure efficient and effective implementation; overall project coordination; stakeholder engagement and coordination; smooth implementation of activities planned under various tranches; delivery of training and other expected outcomes; and HFC consumption verification. Stakeholders include industries, technical institutions, non-governmental organizations, the Government and technical experts.

3. The General Department of Customs and Excise (GDCE), in collaboration with the NOU, will carry out annual monitoring, reporting, verification and enforcement activities related to HFC consumption in the Country. The NOU is responsible for determining and allocating HFC quota to eligible importers, and for issuing the import and export permits based on the allocated quota. The GDCE will control and monitor the import and export of HFCs at the points of entry. The NOU will liaise with HFC importers and exporters to obtain the data necessary for the reconciliation of statistics on a periodical basis.
4. The MoE will be responsible for the sustainability of consumption reduction targets achieved through this Agreement. The NOU will undertake surveys to gauge the situation of HFC phase-down, potential illegal imports, and the penetration of alternative technologies in the country in different subsectors to examine the achievements of HFC phase-down at a national level.
5. The NOU will undertake regular inspections at any mobile air-conditioning training centre that has received training equipment under the Plan to monitor the condition of this equipment.
6. The NOU will monitor the implementation of capacity-building activities for trainers, assessors and technicians across sectors; activities to build the capacity of technicians to maintain/enhance energy efficiency in the servicing sector; training for customs and enforcement officers; and training for importers and customs brokers.
7. The NOU will submit annual reports on the status of implementation to the Lead IA and the Cooperating IA to monitor the implementation progress of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$6.98 per CO₂-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 VI

AGREEMENT BETWEEN THE GOVERNMENT OF CHAD 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Chad (“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 3,216,251 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	3,573,612	3,573,612	3,573,612	3,573,612	3,573,612	3,216,251	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	3,573,612	3,573,612	3,573,612	3,573,612	3,573,612	3,216,251	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		141,000	0	0	94,000	0	0	235,000
2.2	Support costs for Lead IA (US \$)		18,330	0	0	12,220	0	0	30,550
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		75,000	0	0	50,000	0	0	125,000
2.4	Support costs for Cooperating IA (US \$)		9,750	0	0	6,500	0	0	16,250
3.1	Total agreed funding (US \$)		216,000	0	0	144,000	0	0	360,000
3.2	Total support costs (US \$)		28,080	0	0	18,720	0	0	46,800
3.3	Total agreed costs (US \$)		244,080	0	0	162,720	0	0	406,800

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 national ozone unit, under the Ministry of Environment, Fisheries and Sustainable Development, is responsible for monitoring the progress of implementation of the Plan's activities in the Country.
2. Monitoring will be conducted to ensure the efficient and effective implementation of the Plan; overall project coordination; stakeholder engagement and coordination; smooth implementation of activities planned under various tranches; delivery of training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of Environment, Fisheries and Sustainable Development will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 VII

AGREEMENT BETWEEN THE GOVERNMENT OF EL SALVADOR 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of El Salvador (“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 830,126 CO₂-equivalent (CO₂-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 CO₂-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. UNDP 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 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 CO₂-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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	922,362	922,362	922,362	922,362	922,362	830,126	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	922,362	922,362	922,362	922,362	922,362	830,126	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		180,000	0	0	144,000	0	36,000	360,000
2.2	Support costs for Lead IA (US \$)		23,400	0	0	18,720	0	4,680	46,800
3.1	Total agreed funding (US \$)		180,000	0	0	144,000	0	36,000	360,000
3.2	Total support costs (US \$)		23,400	0	0	18,720	0	4,680	46,800
3.3	Total agreed costs (US \$)		203,400	0	0	162,720	0	40,680	406,800

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), operating under the Ministry of Environment and Natural Resources (MARN), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA.

2. The MARN is the institution responsible for the sustainability of consumption reduction targets achieved through this Agreement.

3. The project monitoring unit of the Plan will assist the NOU in the following activities:

- (a) Follow up on activities described in each project, including training courses, seminars, workshops and presentations;
- (b) Monitor the purchase of equipment, materials and tools, as well as contracts for services, to be in line with each project and comply with the Lead IA's rules and regulations;
- (c) Assist in the reporting on project activities, taking into account schedules defined in each component, and support the NOU in solving deviations to finalize all activities in time;
- (d) Support the NOU in defining and selecting beneficiaries, always as a supporting activity;

- (e) Support the NOU in data gathering to make the required reports to the Multilateral Fund Secretariat for the tranche requests, and also to the Lead IA;
- (f) Monitor and promote, when necessary, the actions to comply with gender balance; and
- (g) Carry out any other monitoring or evaluation activity requested by the NOU.

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 CO₂-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 VIII

AGREEMENT BETWEEN THE GOVERNMENT OF ESWATINI 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: 2024–2030)

Purpose

1. This Agreement represents the understanding of the Government of Eswatini (“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 94,950 CO₂-equivalent (CO₂-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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	105,500	105,500	105,500	105,500	105,500	94,950	94,950	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	10.0	n/a
		CO ₂ -eq tonnes	105,500	105,500	105,500	105,500	105,500	94,950	94,950	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		63,500	0	0	51,500	0	0	0	115,000
2.2	Support costs for Lead IA (US \$)		8,255	0	0	6,695	0	0	0	14,950
2.3	Cooperating IA (UNDP) agreed funding (US \$)		0	0	0	30,000	0	0	0	30,000
2.4	Support costs for Cooperating IA (US \$)		0	0	0	3,900	0	0	0	3,900
3.1	Total agreed funding (US \$)		63,500	0	0	81,500	0	0	0	145,000
3.2	Total support costs (US \$)		8,255	0	0	10,595	0	0	0	18,850
3.3	Total agreed costs (US \$)		71,755	0	0	92,095	0	0	0	163,850

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. Overall monitoring will be provided by the Eswatini Environment Authority (EEA), through the national ozone unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.

2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines.

- (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and

- (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.
3. Monitoring of the development of the Plan and verification of achievement of performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.
4. The EEA will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;

- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 IX

AGREEMENT BETWEEN THE GOVERNMENT OF THE GAMBIA 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of the Gambia (“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 244,363 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	271,515	271,515	271,515	271,515	271,515	244,363	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	271,515	271,515	271,515	271,515	271,515	244,363	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		50,150	0	0	42,250	0	0	92,400
2.2	Support costs for Lead IA (US \$)		6,520	0	0	5,492	0	0	12,012
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		30,000	0	0	47,600	0	0	77,600
2.4	Support costs for Cooperating IA (US \$)		3,900	0	0	6,188	0	0	10,088
3.1	Total agreed funding (US \$)		80,150	0	0	89,850	0	0	170,000
3.2	Total support costs (US \$)		10,420	0	0	11,680	0	0	22,100
3.3	Total agreed costs (US \$)		90,570	0	0	101,530	0	0	192,100

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 national ozone unit, under the Ministry of Environment, Climate Change and Natural Resources (MECCNAR) is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The MECCNAR will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 X

**AGREEMENT BETWEEN THE GOVERNMENT OF GHANA
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: 2023–2030)**

Purpose

1. This Agreement represents the understanding of the Government of Ghana (“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 767,003 CO₂-equivalent (CO₂-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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	n/a	1,805,702	1,805,702	1,805,702	1,805,702	1,805,702	1,625,132	1,625,132	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	56.7	56.7	56.7	56.7	56.7	57.5	57.5	n/a
		CO ₂ -eq tonnes	n/a	782,656	782,656	782,656	782,656	782,656	767,003	767,003	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		132,500	0	0	0	79,000	0	0	20,500	232,000
2.2	Support costs for Lead IA (US \$)		17,225	0	0	0	10,270	0	0	2,665	30,160
2.3	Cooperating IA (UNEP) agreed funding (US \$)		55,500	0	0	0	25,500	0	0	12,000	93,000
2.4	Support costs for Cooperating IA (US \$)		7,215	0	0	0	3,315	0	0	1,560	12,090
3.1	Total agreed funding (US \$)		188,000	0	0	0	104,500	0	0	32,500	325,000
3.2	Total support costs (US \$)		24,440	0	0	0	13,585	0	0	4,225	42,250
3.3	Total agreed costs (US \$)		212,440	0	0	0	118,085	0	0	36,725	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 national ozone unit (NOU), operating under the Environmental Protection Agency, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration.

2. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. The Environmental Protection Agency is the institution responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. The Government of the Country is allowed to submit a funding request for phasing down HFCs in the firefighting sector, for consideration by the Executive Committee in line with the agreed cost guidelines for that sector, once the Government has identified the consumption and revised the Article 7 and the country programme data.

Annex XI

AGREEMENT BETWEEN THE GOVERNMENT OF GRENADA 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: 2023–2030)

Purpose

1. This Agreement represents the understanding of the Government of Grenada (“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 47,534 CO₂-equivalent (CO₂-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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	n/a	52,815	52,815	52,815	52,815	52,815	47,534	47,534	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	10.0	n/a
		CO ₂ -eq tonnes	n/a	52,815	52,815	52,815	52,815	52,815	47,534	47,534	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		27,500	0	0	0	44,000	0	0	16,342	87,842
2.2	Support costs for Lead IA (US \$)		3,575	0	0	0	5,720	0	0	2,124	11,419
2.3	Cooperating IA (UNDP) agreed funding (US \$)		45,000	0	0	0	12,158	0	0	0	57,158
2.4	Support costs for Cooperating IA (US \$)		5,850	0	0	0	1,581	0	0	0	7,431
3.1	Total agreed funding (US \$)		72,500	0	0	0	56,158	0	0	16,342	145,000
3.2	Total support costs (US \$)		9,425	0	0	0	7,301	0	0	2,124	18,850
3.3	Total agreed costs (US \$)		81,925	0	0	0	63,459	0	0	18,466	163,850

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 phasedown 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), operating under the Ministry of Climate Resilience, the Environment and Renewable Energy, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration.
2. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA.
3. The Ministry of Climate Resilience, the Environment and Renewable Energy is the institution responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XII

AGREEMENT BETWEEN THE GOVERNMENT OF JORDAN 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: 2023–2030)

Purpose

1. This Agreement represents the understanding of the Government of Jordan (“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 1,278,531 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2030 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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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 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 CO₂-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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	n/a	2,808,101	2,808,101	2,808,101	2,808,101	2,808,101	2,527,291	2,527,291	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	35.6	39.2	43.1	46.8	50.4	51.3	54.5	n/a
		CO ₂ -eq tonnes	n/a	1,809,703	1,707,013	1,596,587	1,492,613	1,393,191	1,367,791	1,278,531	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		2,540,680	0	0	0	1,802,170	0	0	497,233	4,840,083
2.2	Support costs for Lead IA (US \$)		177,848	0	0	0	126,152	0	0	34,806	338,806
3.1	Total agreed funding (US \$)		2,540,680	0	0	0	1,802,170	0	0	497,233	4,840,083
3.2	Total support costs (US \$)		177,848	0	0	0	126,152	0	0	34,806	338,806
3.3	Total agreed costs (US \$)		2,718,528	0	0	0	1,928,322	0	0	532,039	5,178,889
4.1.1	Deductions of HFCs agreed under this Agreement (CO ₂ -eq tonnes)										1,231,104
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)										*211,530
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)										TBD

* Including reductions of 36.25 mt (51,837.5 CO₂-eq tonnes) of HFC-134a, 39.75 mt (70,516.5 CO₂-eq tonnes) of R-407C, and 42.70 mt (89,175.6 CO₂-eq tonnes) of R-410A from the conversion of the manufacture of large commercial unitary roof-top air-conditioning units of up to 400 kilowatts at Petra Engineering Industries Co. (US \$1,637,610, plus agency support costs of US \$114,633 for UNIDO, by decision 81/62).

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 national ozone unit (NOU), under the Ministry of Environment, will monitor the implementation of the Plan's activities, coordinate with relevant stakeholders, follow up on regulatory measures, monitor training and awareness activities, collect HFC consumption data, and support verification measures undertaken by the Lead IA.

2. The Ministry of Environment, through the NOU and in coordination with relevant national institutions, will also be responsible for ensuring the sustainability of the HFC consumption reduction targets achieved under the Agreement, including through the continued implementation of the licensing and control system, stakeholder coordination, and capacity-building support.

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 \$7.86 per CO₂-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 XIII

**AGREEMENT BETWEEN THE GOVERNMENT OF KYRGYZSTAN
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 Kyrgyzstan (“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 405,344 CO₂-equivalent (CO₂-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 CO₂-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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		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	10.0	n/a
		CO ₂ -eq tonnes	n/a	450,382	450,382	450,382	450,382	450,382	405,344	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	450,382	450,382	450,382	450,382	450,382	405,344	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		51,000	0	0	79,000	0	0	0	130,000
2.2	Support costs for Lead IA (US \$)		6,630	0	0	10,270	0	0	0	16,900
2.3	Cooperating IA (UNEP) agreed funding (US \$)		30,000	0	0	30,000	0	0	0	60,000
2.4	Support costs for Cooperating IA (US \$)		3,900	0	0	3,900	0	0	0	7,800
3.1	Total agreed funding (US \$)		81,000	0	0	109,000	0	0	0	190,000
3.2	Total support costs (US \$)		10,530	0	0	14,170	0	0	0	24,700
3.3	Total agreed costs (US \$)		91,530	0	0	123,170	0	0	0	214,700

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 national ozone unit (NOU), operating under the Ministry of Natural Resources, Ecology, and Technical Supervision, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. The Ministry of Natural Resources, Ecology, and Technical Supervision is the institution responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XIV

**AGREEMENT BETWEEN THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC 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: 2024–2030)

Purpose

1. This Agreement represents the understanding of the Government of the Lao People's Democratic Republic ("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 291,803 CO₂-equivalent (CO₂-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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	324,226	324,226	324,226	324,226	324,226	291,803	291,803	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	10.0	n/a
		CO ₂ -eq tonnes	324,226	324,226	324,226	324,226	324,226	291,803	291,803	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		34,000	0	0	80,000	0	0	0	114,000
2.2	Support costs for Lead IA (US \$)		4,420	0	0	10,400	0	0	0	14,820
2.3	Cooperating IA (UNDP) agreed funding (US \$)		76,000	0	0	0	0	0	0	76,000
2.4	Support costs for Cooperating IA (US \$)		9,880	0	0	0	0	0	0	9,880
3.1	Total agreed funding (US \$)		110,000	0	0	80,000	0	0	0	190,000
3.2	Total support costs (US \$)		14,300	0	0	10,400	0	0	0	24,700
3.3	Total agreed costs (US \$)		124,300	0	0	90,400	0	0	0	214,700

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), operating under the Ministry of Natural Resources and Environment (MNRE), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. The MNRE is the institution responsible for the sustainability of consumption reduction targets achieved through this Agreement.

2. The monitoring, reporting, verification and enforcement of HFC consumption levels will be carried out by the NOU in collaboration with the Customs Department and the Department of Industry under the Ministry of Industry and Commerce. The NOU is responsible for determining national HFC quotas and allocating them to eligible importers, while the Department of Industry is a licensing authority for issuing import and export permits based on the quotas allocated by the NOU. The Customs Department will control and monitor the import and export of HFCs at the point of entry. The NOU will liaise with concerned stakeholders including the Department of Industry, the Customs Department and HFC importers to obtain the data necessary for the periodic reconciliation of statistics.

3. The NOU will be responsible for the following:
 - (a) Carrying out surveys to gauge the status of HFC phase-down, potential illegal imports, and penetration of low-GWP alternative technologies in different subsectors;
 - (b) Carrying out regular inspections of the condition of training equipment acquired under the Plan for mobile air-conditioning training centre(s);
 - (c) Monitoring the implementation of capacity-building activities for trainers, assessors and technicians, including activities to maintain or enhance energy efficiency in the servicing sector, training for customs and enforcement officers, and training for importers and customs brokers; and
 - (d) Submitting annual progress reports on the status of implementation to the Lead IA and the Cooperating IA to monitor progress.

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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;

- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XV

AGREEMENT BETWEEN THE GOVERNMENT OF LESOTHO 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Lesotho (“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 49,936 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b),

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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	103,221	103,221	103,221	103,221	103,221	92,899	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	39.5	39.5	39.5	39.5	39.5	51.6	n/a
		CO ₂ -eq tonnes	62,420	62,420	62,420	62,420	62,420	49,936	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		64,000	0	0	50,000	0	0	114,000
2.2	Support costs for Lead IA (US \$)		8,320	0	0	6,500	0	0	14,820
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		18,000	0	0	13,000	0	0	31,000
2.4	Support costs for Cooperating IA (US \$)		2,340	0	0	1,690	0	0	4,030
3.1	Total agreed funding (US \$)		82,000	0	0	63,000	0	0	145,000
3.2	Total support costs (US \$)		10,660	0	0	8,190	0	0	18,850
3.3	Total agreed costs (US \$)		92,660	0	0	71,190	0	0	163,850

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 national ozone unit (NOU), operating under the Lesotho Meteorological Services, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. Lesotho Meteorological Services is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XVI

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF LIBERIA 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Liberia (“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 122,817 CO₂-equivalent (CO₂-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 CO₂-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. The Government of Germany 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 CO₂-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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	180,909	180,909	180,909	180,909	180,909	162,818	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	27.8	27.8	30.0	30.0	32.1	n/a
		CO ₂ -eq tonnes	180,909	130,532	130,532	126,616	126,616	122,817	n/a
2.1	Lead IA (Germany) agreed funding (US \$)		72,500	0	0	72,500	0	0	145,000
2.2	Support costs for Lead IA (US \$)		9,425	0	0	9,425	0	0	18,850
3.1	Total agreed funding (US \$)		72,500	0	0	72,500	0	0	145,000
3.2	Total support costs (US \$)		9,425	0	0	9,425	0	0	18,850
3.3	Total agreed costs (US \$)		81,925	0	0	81,925	0	0	163,850

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), operating under the Liberia Environmental Protection Agency, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and the delivery of outcomes, the NOU will facilitate the verification of HFC consumption to be undertaken by the Lead IA. The Liberia Environmental Protection Agency is the institution responsible for the sustainability of consumption reduction targets achieved through this Agreement.

2. The NOU, with assistance from the Lead IA, will establish a robust monitoring and evaluation process to track the implementation of the Plan. This will include development and implementation of a comprehensive data collection system to gather information on the import, export, and consumption on HFCs, periodic reporting to the Lead IA on project implementation status that will ensure transparency and accountability, monitoring of reductions in HFC consumption, compliance with phase-down schedules, assessing adoption of alternative technologies in different applications, mobilising personnel and other resources for project implementation and monitoring project progress and coordination with relevant national institutions and stakeholders (e.g., industry representatives, enforcement bodies, civil society) for their active engagement in implementation of different project activities. The NOU will also undertake quarterly and annual reviews in collaboration with the Lead IA to monitor project progress, identify challenges, and recalibrate strategies where necessary.

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 CO₂-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 XVII

AGREEMENT BETWEEN THE GOVERNMENT OF MALAWI 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: 2023–2030)

Purpose

1. This Agreement represents the understanding of the Government of Malawi (“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 197,488 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2030 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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b),

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		2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	n/a	428,435	428,435	428,435	428,435	428,435	385,591	385,591	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	51.1	49.1	49.9	51.1	51.9	52.5	52.9	54.0	n/a
		CO ₂ -eq tonnes	209,337	217,890	214,626	209,580	206,020	203,508	201,736	197,488	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		39,000	0	0	58,200	0	0	0	17,000	114,200
2.2	Support costs for Lead IA (US \$)		5,070	0	0	7,566	0	0	0	2,210	14,846
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		29,000	0	0	43,800	0	0	0	0	72,800
2.4	Support costs for Cooperating IA (US \$)		3,770	0	0	5,694	0	0	0	0	9,464
3.1	Total agreed funding (US \$)		68,000	0	0	102,000	0	0	0	17,000	187,000
3.2	Total support costs (US \$)		8,840	0	0	13,260	0	0	0	2,210	24,310
3.3	Total agreed costs (US \$)		76,840	0	0	115,260	0	0	0	19,210	211,310

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 national ozone unit (NOU), operating under the Ministry of Natural Resources and Climate Change, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. The Ministry of Natural Resources and Climate Change is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XVIII

AGREEMENT BETWEEN THE GOVERNMENT OF MALAYSIA 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 Malaysia (“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 24,033,345 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. The World Bank 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 CO₂-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	To be determined (TBD)

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	26,703,717	26,703,717	26,703,717	26,703,717	26,703,717	24,033,345	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	26,703,717	26,703,717	26,703,717	26,703,717	26,703,717	24,033,345	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)		3,042,912	0	3,246,290	0	2,336,655	0	649,258	9,275,115
2.2	Support costs for Lead IA (US \$)		213,004	0	227,240	0	163,566	0	45,448	649,258
3.1	Total agreed funding (US \$)		3,042,912	0	3,246,290	0	2,336,655	0	649,258	9,275,115
3.2	Total support costs (US \$)		213,004	0	227,240	0	163,566	0	45,448	649,258
3.3	Total agreed costs (US \$)		3,255,916	0	3,473,530	0	2,500,221	0	694,706	9,924,373
4.1.1	Deductions of HFCs under this Agreement (CO ₂ -eq tonnes)									2,763,452
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 monitoring process will be managed by the Department of Environment (DOE) through the national ozone unit (NOU) with the assistance of the Lead IA.

2. Consumption will be monitored and determined based on official import and export data for the Substances recorded by relevant Government departments.

3. The DOE shall compile relevant data and prepare the following on or before the relevant due dates:

- (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat; and

- (b) Periodic reports on the implementation progress of the Plan, to be submitted through the Lead IA to the Executive Committee of the Multilateral Fund with Tranche Implementation Plans and HFC consumption verification reports.
- 4. Consumption will be monitored annually throughout the implementation of the Plan and accordingly reflected in the progress report on the implementation of the Plan.
- 5. The NOU in the DOE shall prepare, with the Lead IA, the final implementation progress report and the Lead IA shall submit the same.
- 6. The DOE, along with its Government partner agencies, will be responsible for the sustainability of consumption reduction targets achieved through this Agreement, and for reviewing all related reports and data and instituting control and policy measures that facilitate HFC control and reductions according to this 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 \$6.71 per CO₂-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 XIX

AGREEMENT BETWEEN THE GOVERNMENT OF MONTENEGRO 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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Montenegro (“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 125,577 CO₂-equivalent (CO₂-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 CO₂-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 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 CO₂-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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	155,854	155,854	155,854	155,854	155,854	140,269	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	12.3	14.1	15.8	17.6	19.4	n/a
		CO ₂ -eq tonnes	155,854	136,739	133,949	131,158	128,368	125,577	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		115,050	0	0	74,550	0	0	189,600
2.2	Support costs for Lead IA (US \$)		14,956	0	0	9,692	0	0	24,648
3.1	Total agreed funding (US \$)		115,050	0	0	74,550	0	0	189,600
3.2	Total support costs (US \$)		14,956	0	0	9,692	0	0	24,648
3.3	Total agreed costs (US \$)		130,006	0	0	84,242	0	0	214,248

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. All monitoring activities will be coordinated and managed through the Plan's monitoring and management unit within the national ozone unit (NOU).
2. The NOU, under the Environmental Protection Agency (EPA), is responsible for coordinating the Country's action plan with respect to ozone layer protection and facilitation of HFC phase-down. The NOU is in charge of implementing the country programmes under the Montreal Protocol. Implementation of the planned project activities will be allocated to the NOU in cooperation with the Lead IA. The NOU as a management body has a responsibility toward EPA and the Ministry of Ecology, Sustainable Development and Northern Region Development as a decision-making body. The NOU, under the EPA, is responsible for ensuring the sustainability of the consumption reduction targets achieved under this 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 CO₂-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 XX

**AGREEMENT BETWEEN THE GOVERNMENT OF MOZAMBIQUE
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: 2024–2030)**

Purpose

1. This Agreement represents the understanding of the Government of Mozambique (“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 589,730 CO₂-equivalent (CO₂-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 1A.
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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	655,255	655,255	655,255	655,255	655,255	589,730	589,730	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	10.0	n/a
		CO ₂ -eq tonnes	655,255	655,255	655,255	655,255	655,255	589,730	589,730	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		83,500	0	81,500	0	0	0	42,000	207,000
2.2	Support costs for Lead IA (US \$)		10,855	0	10,595	0	0	0	5,460	26,910
2.3	Cooperating IA (UNDP) agreed funding (US \$)		86,000	0	6,000	0	0	0	26,000	118,000
2.4	Support costs for Cooperating IA (US \$)		11,180	0	780	0	0	0	3,380	15,340
3.1	Total agreed funding (US \$)		169,500	0	87,500	0	0	0	68,000	325,000
3.2	Total support costs (US \$)		22,035	0	11,375	0	0	0	8,840	42,250
3.3	Total agreed costs (US \$)		191,535	0	98,875	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 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, under the Ministry of Land and Environment, is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of Land and Environment will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXI

**AGREEMENT BETWEEN THE GOVERNMENT OF NORTH MACEDONIA
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 North Macedonia (“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 323,345 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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 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 CO₂-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	To be determined (TBD)

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	397,843	397,843	397,843	397,843	397,843	358,059	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	4.8	7.3	9.7	9.7	9.7	18.7	n/a
		CO ₂ -eq tonnes	n/a	378,557	368,915	359,272	359,272	359,272	323,345	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		103,555	0	0	90,445	0	22,000	0	216,000
2.2	Support costs for Lead IA (US \$)		13,462	0	0	11,758	0	2,860	0	28,080
3.1	Total agreed funding (US \$)		103,555	0	0	90,445	0	22,000	0	216,000
3.2	Total support costs (US \$)		13,462	0	0	11,758	0	2,860	0	28,080
3.3	Total agreed costs (US \$)		117,017	0	0	102,203	0	24,860	0	244,080
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								74,498	
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0	
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD	

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 national ozone unit (NOU), operating under the Ministry of Environment and Physical Planning, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the duration of the Plan.

2. Monitoring will be conducted throughout implementation to ensure an effective overall project coordination, stakeholder engagement, timely execution of activities under each tranche, and delivery of expected outcomes. The NOU will also facilitate the verification of HFC consumption to be undertaken by the Lead IA.

3. The Ministry of Environment and Physical Planning will be responsible for ensuring the sustainability of the consumption reduction targets achieved under this 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 CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. During the implementation of stage I of the Plan, the Country will be allowed, on an exceptional basis, to submit a project to phase out the consumption of HFC-152a in the extruded polystyrene foam manufacturing sector.

Annex XXII

**AGREEMENT BETWEEN THE GOVERNMENTS OF THE PACIFIC ISLAND COUNTRIES
(THE COOK ISLANDS, KIRIBATI, THE MARSHALL ISLANDS,
THE FEDERATED STATES OF MICRONESIA, NAURU, NIUE, PALAU, SAMOA,
SOLOMON ISLANDS, TONGA, TUVALU AND VANUATU)
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Governments of the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu (each hereinafter referred to as “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 149,357 CO₂-equivalent (CO₂-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 CO₂-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”) and the Government of Australia has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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

THE PACIFIC ISLAND COUNTRIES - OVERALL FUNDING

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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	181,404	181,404	181,404	181,404	181,404	163,260	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	11.5	11.5	11.5	17.7	n/a
		CO ₂ -eq tonnes	181,404	181,404	160,549	160,549	160,549	149,357	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		683,000	0	0	559,000	0	0	1,242,000
2.2	Support costs for Lead IA (US \$)		88,790	0	0	72,670	0	0	161,460
2.3	Cooperating IA (Australia) agreed funding (US \$)		295,000	0	0	93,000	0	0	388,000
2.4	Support costs for Cooperating IA (US \$)		38,350	0	0	12,090	0	0	50,440
3.1	Total agreed funding (US \$)		978,000	0	0	652,000	0	0	1,630,000
3.2	Total support costs (US \$)		127,140	0	0	84,760	0	0	211,900
3.3	Total agreed costs (US \$)		1,105,140	0	0	736,760	0	0	1,841,900

GOVERNMENT OF THE COOK ISLANDS

APPENDIX 1-A.1: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.1: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	6,461	6,461	6,461	6,461	6,461	5,814	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	6,461	6,461	6,461	6,461	6,461	5,814	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		23,250	0	0	44,250	0	0	67,500
2.2	Support costs for Lead IA (US \$)		3,023	0	0	5,752	0	0	8,775
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		23,250	0	0	44,250	0	0	67,500
3.2	Total support costs (US \$)		3,023	0	0	5,752	0	0	8,775
3.3	Total agreed costs (US \$)		26,273	0	0	50,002	0	0	76,275

GOVERNMENT OF KIRIBATI

APPENDIX 1-A.2: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

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

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	8,509	8,509	8,509	8,509	8,509	7,658	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	8,509	8,509	8,509	8,509	8,509	7,658	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		15,000	0	0	11,000	0	0	26,000
2.2	Support costs for Lead IA (US \$)		1,950	0	0	1,430	0	0	3,380
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		15,000	0	0	11,000	0	0	26,000
3.2	Total support costs (US \$)		1,950	0	0	1,430	0	0	3,380
3.3	Total agreed costs (US \$)		16,950	0	0	12,430	0	0	29,380

GOVERNMENT OF THE MARSHALL ISLANDS

APPENDIX 1-A.3: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.3: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	15,926	15,926	15,926	15,926	14,333	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	15,926	15,926	15,926	15,926	14,333	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	11,750	0	0	7,750	0	0	19,500
2.2	Support costs for Lead IA (US \$)	1,527	0	0	1,008	0	0	2,535
2.3	Cooperating IA (Australia) agreed funding (US \$)	0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)	0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)	11,750	0	0	7,750	0	0	19,500
3.2	Total support costs (US \$)	1,527	0	0	1,008	0	0	2,535
3.3	Total agreed costs (US \$)	13,277	0	0	8,758	0	0	22,035

GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA

APPENDIX 1-A.4: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.4: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	13,600	13,600	13,600	13,600	12,240	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	13,600	13,600	13,600	13,600	12,240	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	63,500	0	0	27,500	0	0	91,000
2.2	Support costs for Lead IA (US \$)	8,255	0	0	3,575	0	0	11,830
2.3	Cooperating IA (Australia) agreed funding (US \$)	0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)	0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)	63,500	0	0	27,500	0	0	91,000
3.2	Total support costs (US \$)	8,255	0	0	3,575	0	0	11,830
3.3	Total agreed costs (US \$)	71,755	0	0	31,075	0	0	102,830

GOVERNMENT OF NAURU

APPENDIX 1-A.5: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.5: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	2,378	2,378	2,378	2,378	2,378	2,140	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	2,378	2,378	2,378	2,378	2,378	2,140	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		10,500	0	0	6,500	0	0	17,000
2.2	Support costs for Lead IA (US \$)		1,365	0	0	845	0	0	2,210
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		10,500	0	0	6,500	0	0	17,000
3.2	Total support costs (US \$)		1,365	0	0	845	0	0	2,210
3.3	Total agreed costs (US \$)		11,865	0	0	7,345	0	0	19,210

GOVERNMENT OF NIUE

APPENDIX 1-A.6: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.6: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	236	236	236	236	236	212	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	236	236	236	236	236	212	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		9,250	0	0	5,250	0	0	14,500
2.2	Support costs for Lead IA (US \$)		1,202	0	0	683	0	0	1,885
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		9,250	0	0	5,250	0	0	14,500
3.2	Total support costs (US \$)		1,202	0	0	683	0	0	1,885
3.3	Total agreed costs (US \$)		10,452	0	0	5,933	0	0	16,385

GOVERNMENT OF PALAU

APPENDIX 1-A.7: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.7: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	10,368	10,368	10,368	10,368	9,331	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	10,368	10,368	10,368	10,368	9,331	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	57,500	0	0	46,500	0	0	104,000
2.2	Support costs for Lead IA (US \$)	7,475	0	0	6,045	0	0	13,520
2.3	Cooperating IA (Australia) agreed funding (US \$)	0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)	0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)	57,500	0	0	46,500	0	0	104,000
3.2	Total support costs (US \$)	7,475	0	0	6,045	0	0	13,520
3.3	Total agreed costs (US \$)	64,975	0	0	52,545	0	0	117,520

GOVERNMENT OF SAMOA

APPENDIX 1-A.8: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.8: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	20,557	20,557	20,557	20,557	18,501	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	20,557	20,557	20,557	20,557	18,501	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	66,000	0	0	58,000	0	0	124,000
2.2	Support costs for Lead IA (US \$)	8,580	0	0	7,540	0	0	16,120
2.3	Cooperating IA (Australia) agreed funding (US \$)	0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)	0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)	66,000	0	0	58,000	0	0	124,000
3.2	Total support costs (US \$)	8,580	0	0	7,540	0	0	16,120
3.3	Total agreed costs (US \$)	74,580	0	0	65,540	0	0	140,120

GOVERNMENT OF SOLOMON ISLANDS

APPENDIX 1-A.9: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.9: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	69,516	69,516	69,516	69,516	69,516	62,564	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	30.0	30.0	30.0	30.0	n/a
		CO ₂ -eq tonnes	69,516	69,516	48,661	48,661	48,661	48,661	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		74,125	0	0	66,125	0	0	140,250
2.2	Support costs for Lead IA (US \$)		9,637	0	0	8,596	0	0	18,233
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		74,125	0	0	66,125	0	0	140,250
3.2	Total support costs (US \$)		9,637	0	0	8,596	0	0	18,233
3.3	Total agreed costs (US \$)		83,762	0	0	74,721	0	0	158,483

GOVERNMENT OF TONGA

APPENDIX 1-A.10: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.10: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	7,676	7,676	7,676	7,676	7,676	6,908	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	7,676	7,676	7,676	7,676	7,676	6,908	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		60,750	0	0	49,750	0	0	110,500
2.2	Support costs for Lead IA (US \$)		7,898	0	0	6,467	0	0	14,365
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		60,750	0	0	49,750	0	0	110,500
3.2	Total support costs (US \$)		7,898	0	0	6,467	0	0	14,365
3.3	Total agreed costs (US \$)		68,648	0	0	56,217	0	0	124,865

GOVERNMENT OF TUVALU

APPENDIX 1-A.11: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.11: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	2,648	2,648	2,648	2,648	2,648	2,383	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	2,648	2,648	2,648	2,648	2,648	2,383	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		12,250	0	0	8,250	0	0	20,500
2.2	Support costs for Lead IA (US \$)		1,592	0	0	1,073	0	0	2,665
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		12,250	0	0	8,250	0	0	20,500
3.2	Total support costs (US \$)		1,592	0	0	1,073	0	0	2,665
3.3	Total agreed costs (US \$)		13,842	0	0	9,323	0	0	23,165

GOVERNMENT OF VANUATU

APPENDIX 1-A.12: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A.12: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	23,529	23,529	23,529	23,529	23,529	21,176	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	23,529	23,529	23,529	23,529	23,529	21,176	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		31,625	0	0	52,625	0	0	84,250
2.2	Support costs for Lead IA (US \$)		4,112	0	0	6,841	0	0	10,953
2.3	Cooperating IA (Australia) agreed funding (US \$)		0	0	0	0	0	0	0
2.4	Support costs for Cooperating IA (US \$)		0	0	0	0	0	0	0
3.1	Total agreed funding (US \$)		31,625	0	0	52,625	0	0	84,250
3.2	Total support costs (US \$)		4,112	0	0	6,841	0	0	10,953
3.3	Total agreed costs (US \$)		35,737	0	0	59,466	0	0	95,203

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. Under the respective Ministries or Agencies, i.e., the Cook Islands National Environment Service; the Kiribati Ministry of Environment, Lands and Agricultural Development; the Marshall Islands Environmental Protection Authority; the Federated States of Micronesia Department of Environment, Climate Change and Emergency Management; the Nauru Department of Environmental Management and

Agriculture; the Niue Ministry of Natural Resources; the Palau Environmental Quality Protection Board; the Samoa Ministry of Natural Resources and Environment; the Solomon Islands Ministry of Mines, Energy and Rural Electrification; the Tonga Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications; the Tuvalu Ministry of Home Affairs, Climate Change and Environment; and the Vanuatu Ministry of Climate Change Adaptation, Meteorology, Geohazards, Energy, Environment and Disaster Management, the national ozone units (NOUs) will be responsible for the overall project monitoring of all activities under the Plan, as well as the planning, coordination, and daily work of project implementation.

2. The NOUs will coordinate closely with national industries, technical institutions, non-governmental organizations and government departments, as well as technical experts, the Lead IA and the Cooperating IA, to ensure the smooth implementation of the Plan. Moreover, the NOUs will work in collaboration with respective national Energy-Efficiency Authorities to explore synergies between HFC phase-down and energy efficiency in the national implementation of policy and regulations, capacity building, raising awareness and communications.

3. Annual consumption of HFCs will be monitored through the NOUs in collaboration with the Customs Authority of each Country. The NOUs will also liaise with importers of HFCs to obtain the necessary data for reconciliation of statistics on a periodic basis.

4. The NOUs will undertake national market surveys to gauge the situation of HFC phase-down, potential illegal imports, and the penetration of alternative technologies with low global-warming potential in different subsectors. In case of a risk of non-compliance with obligations or not meeting the maximum allowance for total consumption of Annex F substances, the NOUs will report to the Lead IA and Cooperating IA to identify specific interventions needed for achieving the HFC phase-down targets.

5. The NOUs will monitor the implementation of capacity-building activities with relevant agencies, including competency-based training and assessment for refrigeration and air-conditioning and mobile air-conditioning technicians, activities to build the capacity of technicians to maintain and/or enhance energy efficiency in the servicing sector while phasing down HFCs, and training for customs and enforcement officers.

6. The NOUs will submit annual progress reports on the status of implementation of respective national components to the Lead IA and Cooperating IA to monitor the implementation progress of the Plan.

7. The Ministries and Agencies listed in paragraph 1 above will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;

- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXIII

**AGREEMENT BETWEEN THE GOVERNMENT OF PANAMA
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 Panama (“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 2,289,047 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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. UNDP 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 CO₂-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	To be determined (TBD)

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	2,543,386	2,543,386	2,543,386	2,543,386	2,543,386	2,289,047	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	2,543,386	2,543,386	2,543,386	2,543,386	2,543,386	2,289,047	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	331,100	0	0	264,880	0	0	66,220	662,200	
2.2	Support costs for Lead IA (US \$)	23,177	0	0	18,542	0	0	4,635	46,354	
3.1	Total agreed funding (US \$)	331,100	0	0	264,880	0	0	66,220	662,200	
3.2	Total support costs (US \$)	23,177	0	0	18,542	0	0	4,635	46,354	
3.3	Total agreed costs (US \$)	354,277	0	0	283,422	0	0	70,855	708,554	
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)									254,339
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 national ozone unit (NOU), operating under the General Sub-Directorate of Environmental Health in the General Directorate of Public Health at the Ministry of Health (MINSA), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, strengthening of education centres and pilot projects, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA.

2. The MINSA coordinates all activities aimed at achieving and sustaining the commitments to reduce HFC consumption with different entities at the national level, including the Ministry of Commerce and Industry, Ministry of Education and other institutions in the academic sector, the Ministry of Environment, the National Customs Authority, the National Energy Secretariat, civil society associations and the productive sectors.

3. The MINSA is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 \$5.21 per CO₂-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 XXIV

**AGREEMENT BETWEEN THE GOVERNMENT OF PARAGUAY
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Paraguay (“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 1,516,124 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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. UNDP 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 CO₂-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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	1,684,582	1,684,582	1,684,582	1,684,582	1,684,582	1,516,124	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	1,684,582	1,684,582	1,684,582	1,684,582	1,684,582	1,516,124	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		235,675	0	0	188,540	0	47,135	471,350
2.2	Support costs for Lead IA (US \$)		16,497	0	0	13,198	0	3,300	32,995
3.1	Total agreed funding (US \$)		235,675	0	0	188,540	0	47,135	471,350
3.2	Total support costs (US \$)		16,497	0	0	13,198	0	3,300	32,995
3.3	Total agreed costs (US \$)		252,172	0	0	201,738	0	50,435	504,345
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								168,458
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD

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), operating under the Ministry of Environment and Sustainable Development (MADES), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA.
2. The MADES is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 \$5.60 per CO₂-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 XXV

**AGREEMENT BETWEEN THE GOVERNMENT OF PERU
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 Peru (“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 2,462,149 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. UNDP 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 CO₂-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	To be determined (TBD)

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	2,735,721	2,735,721	2,735,721	2,735,721	2,735,721	2,462,149	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	2,735,721	2,735,721	2,735,721	2,735,721	2,735,721	2,462,149	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		283,140	0	0	283,140	0	0	62,718	628,998
2.2	Support costs for Lead IA (US \$)		19,820	0	0	19,820	0	0	4,390	44,030
3.1	Total agreed funding (US \$)		283,140	0	0	283,140	0	0	62,718	628,998
3.2	Total support costs (US \$)		19,820	0	0	19,820	0	0	4,390	44,030
3.3	Total agreed costs (US \$)		302,960	0	0	302,960	0	0	67,108	673,028
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								273,572	
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0	
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD	

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. Overall supervision will be provided by the Ministry of Production (PRODUCE), through the national ozone office (NOO), with assistance from the Lead IA.
2. Consumption will be monitored and determined from official data on the import and export of substances as registered by relevant Government departments. The NOO will compile and report the following data and information each year on, or before the deadlines:
 - (a) Annual reports on the consumption of the substances to be submitted to the Ozone Secretariat,
 - (b) Annual reports on progress in Plan implementation to be submitted to the Executive Committee of the Multilateral Fund, and

- (c) Annual reports on progress in gender indicators according to the guidelines established by the Multilateral Fund of the Montreal Protocol and the specific activities approved for the projects.
3. The NOO and the Lead IA will jointly hire a qualified independent entity to conduct a qualitative and quantitative performance assessment of the implementation of the Plan. The agency responsible for evaluation will have full access to relevant technical and financial information related to the implementation of the Plan.
4. The PRODUCE is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 \$4.60 per CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. A project to phase out HFCs contained in imported pre-blended polyols in the Country's polyurethane foam sector will be subject to the decision taken by the Committee on whether it would fund the phase-out of HFCs contained in imported pre-blended polyols.

Annex XXVI

**AGREEMENT BETWEEN THE GOVERNMENT OF RWANDA
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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Rwanda (“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 254,008 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	338,197	338,197	338,197	338,197	338,197	304,377	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	24.9	n/a
		CO ₂ -eq tonnes	338,197	338,197	338,197	338,197	338,197	254,008	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		48,400	0	0	44,000	0	17,600	110,000
2.2	Support costs for Lead IA (US \$)		6,292	0	0	5,720	0	2,288	14,300
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		27,500	0	0	44,000	0	5,500	77,000
2.4	Support costs for Cooperating IA (US \$)		3,575	0	0	5,720	0	715	10,010
3.1	Total agreed funding (US \$)		75,900	0	0	88,000	0	23,100	187,000
3.2	Total support costs (US \$)		9,867	0	0	11,440	0	3,003	24,310
3.3	Total agreed costs (US \$)		85,767	0	0	99,440	0	26,103	211,310

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 national ozone unit, under the Ministry of Environment, is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of Environment in the Country will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXVII

**AGREEMENT BETWEEN THE GOVERNMENT OF SAINT LUCIA
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Saint Lucia (“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 75,362 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	83,735	83,735	83,735	83,735	83,735	75,362	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	83,735	83,735	83,735	83,735	83,735	75,362	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		43,000	0	0	38,000	0	13,000	94,000
2.2	Support costs for Lead IA (US \$)		5,590	0	0	4,940	0	1,690	12,220
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		27,000	0	0	24,000	0	0	51,000
2.4	Support costs for Cooperating IA (US \$)		3,510	0	0	3,120	0	0	6,630
3.1	Total agreed funding (US \$)		70,000	0	0	62,000	0	13,000	145,000
3.2	Total support costs (US \$)		9,100	0	0	8,060	0	1,690	18,850
3.3	Total agreed costs (US \$)		79,100	0	0	70,060	0	14,690	163,850

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) will be responsible for the day-to-day execution of all components of the project, including monitoring, evaluation and reporting. It will be supported by the Ministry of Agriculture, Fisheries, Food Security and Sustainable Development ("the Ministry") who will manage the budget and exercise oversight of the procurement processes. The Ministry will also be responsible for the sustainability of consumption reduction targets achieved through this Agreement.
2. Upon project launch the NOU and the Montreal Protocol Technical Working Group will plan for the execution of each component and for the day-to-day execution of all activities approved under the Plan, including monitoring of all project activities, generating periodic monitoring and evaluation reports on project activities, targets achieved, adjustments, and remedial actions to be taken, if necessary, to ensure that targets are met. A consultant will be contracted to assist in delivering these tasks.
3. The Lead IA will be responsible for ensuring that periodic progress and financial reports are generated, tranche progress is monitored and funds are disbursed in accordance with this 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXVIII

**AGREEMENT BETWEEN THE GOVERNMENT OF SENEGAL
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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Senegal (“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 2,215,780 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	2,786,915	2,786,915	2,786,915	2,786,915	2,786,915	2,508,224	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	20.5	n/a
		CO ₂ -eq tonnes	2,786,915	2,786,915	2,786,915	2,786,915	2,786,915	2,215,780	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		168,000	0	0	138,000	0	84,000	390,000
2.2	Support costs for Lead IA (US \$)		21,840	0	0	17,940	0	10,920	50,700
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		127,500	0	0	317,500	0	25,000	470,000
2.4	Support costs for Cooperating IA (US \$)		8,925	0	0	22,225	0	1,750	32,900
3.1	Total agreed funding (US \$)		295,500	0	0	455,500	0	109,000	860,000
3.2	Total support costs (US \$)		30,765	0	0	40,165	0	12,670	83,600
3.3	Total agreed costs (US \$)		326,265	0	0	495,665	0	121,670	943,600
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								*571,135
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD

*An additional reduction of up to 324,937 CO₂-eq tonnes associated with an adjustment to the HCFC component of the HFC baseline would be deducted from the starting point; such additional reduction would not be applied if the Article 7 HCFC consumption data for the years 2009 and 2010 were revised (decision 95/72).

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 national ozone unit (NOU), operating under the Ministry of the Environment and Ecological Transition (MEET), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA. The MEET is the institution responsible for the sustainability of consumption reduction targets achieved through this Agreement.

2. Consumption will be monitored and determined from the official data on the import and export of substances registered by the relevant Government departments.

3. The NOU will compile and report on the following data and information each year on or before the agreed deadlines:

- (a) Annual reports on the consumption of substances submitted to the Ozone Secretariat; and
- (b) Annual reports on progress achieved in the Plan's implementation submitted to the Executive Committee of the Multilateral Fund.

4. The NOU and the Lead IA will jointly hire a qualified independent entity to conduct a qualitative and quantitative performance assessment of the implementation of the Plan.

5. The agency responsible for evaluation will have full access to relevant technical and financial information related to the implementation of the Plan, and will prepare and submit to the NOU and the Lead IA a draft consolidated report at the end of each annual implementation plan. The report will include assessment findings and, where appropriate, recommendations for improvements or adjustments, as well as the Country's situation with regard to compliance with the provisions of this Agreement. After incorporating the comments and explanations, if any, from the NOU and the Lead IA, the agency responsible for evaluation will finalize the report and submit it to the MEET and the Lead IA. The MEET will endorse the final report, and the Lead IA will transmit it to the relevant meeting of the Executive Committee together with the implementation plan and annual reports.

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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$5.28 per CO₂-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 XXIX

**AGREEMENT BETWEEN THE GOVERNMENT OF SEYCHELLES
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Seychelles (“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 224,460 CO₂-equivalent (CO₂-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 CO₂-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”) and the Government of Germany has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	249,400	249,400	249,400	249,400	249,400	224,460	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	249,400	249,400	249,400	249,400	249,400	224,460	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		64,836	0	0	20,424	0	0	85,260
2.2	Support costs for Lead IA (US \$)		8,429	0	0	2,655	0	0	11,084
2.3	Cooperating IA (Germany) agreed funding (US \$)		16,844	0	0	55,896	0	0	72,740
2.4	Support costs for Cooperating IA (US \$)		2,190	0	0	7,266	0	0	9,456
3.1	Total agreed funding (US \$)		81,680	0	0	76,320	0	0	158,000
3.2	Total support costs (US \$)		10,619	0	0	9,921	0	0	20,540
3.3	Total agreed costs (US \$)		92,299	0	0	86,241	0	0	178,540

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. Overall monitoring will be provided by the Ministry of Environment, Climate, Energy and Natural Resources through the national ozone unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.
2. Consumption will be monitored and determined from the official data on the import and export of substances, as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:
 - (a) Reports on the consumption of substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
 - (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. The monitoring of the development of the Plan and verification of the achievement of performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

4. The Ministry of Environment, Climate, Energy and Natural Resources will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;

- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXX

**AGREEMENT BETWEEN THE GOVERNMENT OF SIERRA LEONE
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Sierra Leone (“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 315,815 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	350,905	350,905	350,905	350,905	350,905	315,815	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	1.5	3.2	4.9	6.6	8.3	10.0	n/a
		CO ₂ -eq tonnes	345,642	339,676	333,711	327,746	321,780	315,815	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		65,500	0	0	38,817	0	0	104,317
2.2	Support costs for Lead IA (US \$)		8,515	0	0	5,046	0	0	13,561
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		21,000	0	0	54,683	0	0	75,683
2.4	Support costs for Cooperating IA (US \$)		2,730	0	0	7,109	0	0	9,839
3.1	Total agreed funding (US \$)		86,500	0	0	93,500	0	0	180,000
3.2	Total support costs (US \$)		11,245	0	0	12,155	0	0	23,400
3.3	Total agreed costs (US \$)		97,745	0	0	105,655	0	0	203,400

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, under the Ministry of the Environment and Climate Change, is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of the Environment and Climate Change 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXXI

**AGREEMENT BETWEEN THE GOVERNMENT OF TOGO
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: 2024–2029)

Purpose

1. This Agreement represents the understanding of the Government of Togo (“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 956,162 CO₂-equivalent (CO₂-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 1A.
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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO2-eq tonnes	1,124,896	1,124,896	1,124,896	1,124,896	1,124,896	1,012,406	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	15.0	n/a
		CO2-eq tonnes	1,124,896	1,124,896	1,124,896	1,124,896	1,124,896	956,162	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		117,500	0	0	102,500	0	0	220,000
2.2	Support costs for Lead IA (US \$)		15,275	0	0	13,325	0	0	28,600
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		70,000	0	0	70,000	0	0	140,000
2.4	Support costs for Cooperating IA (US \$)		9,100	0	0	9,100	0	0	18,200
3.1	Total agreed funding (US \$)		187,500	0	0	172,500	0	0	360,000
3.2	Total support costs (US \$)		24,375	0	0	22,425	0	0	46,800
3.3	Total agreed costs (US \$)		211,875	0	0	194,925	0	0	406,800

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 national ozone unit (NOU), under the Ministry of Environment, Forestry Resources, Coastal Protection, and Climate Change, is responsible for monitoring the progress of implementation of activities in the Plan. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA. 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 the various tranches, delivery of training and other expected outcomes, and facilitation of the HFC consumption verification undertaken by the Lead IA.

2. Consumption will be monitored and determined from the official data on the import and export of substances as registered by the relevant Government departments. The NOU will compile and report on the following data and information each year on or before the relevant deadlines:

- (a) Reports on the consumption of substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
- (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. Monitoring of the development of the Plan and verification of the achievement of performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

4. The Ministry of Environment, Forestry Resources, Coastal Protection, and Climate Change will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 XXXII

**AGREEMENT BETWEEN THE GOVERNMENT OF TRINIDAD AND TOBAGO
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 Trinidad and Tobago (“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 5,113,608 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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. UNDP 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 CO₂-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	To be determined (TBD)

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	5,681,787	5,681,787	5,681,787	5,681,787	5,681,787	5,113,608	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	5,681,787	5,681,787	5,681,787	5,681,787	5,681,787	5,113,608	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		543,249	0	0	516,677	0	0	117,769	1,177,695
2.2	Support costs for Lead IA (US \$)		38,028	0	0	36,167	0	0	8,244	82,439
3.1	Total agreed funding (US \$)		543,249	0	0	516,677	0	0	117,769	1,177,695
3.2	Total support costs (US \$)		38,028	0	0	36,167	0	0	8,244	82,439
3.3	Total agreed costs (US \$)		581,277	0	0	552,844	0	0	126,013	1,260,134
4.1.1	Deductions of HFCs under this Agreement (CO ₂ -eq tonnes)									568,179
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 national ozone unit (NOU), operating under the Ministry of Planning, Economic Affairs and Development (MPEAD), will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and delivery of outcomes, the NOU will facilitate verification of HFC consumption to be undertaken by the Lead IA.

2. The NOU will organize the collection and analysis of project data, standardize reporting formats, and convene periodic evaluation meetings. It will prepare internal progress reports, annual Plan implementation reports, and tranche submissions for the Executive Committee. The NOU will also monitor gender indicators, track private sector trends in HFC use, and stay updated on alternative technologies through participation in stakeholder-led technical meetings.

3. The MPEAD is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 \$4.15 per CO₂-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2A 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 XXXIII

**AGREEMENT BETWEEN THE GOVERNMENT OF TUNISIA
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: 2024–2030)**

Purpose

1. This Agreement represents the understanding of the Government of Tunisia (“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 1,803,694 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2030 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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	2,367,840	2,367,840	2,367,840	2,367,840	2,367,840	2,131,056	2,131,056	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	23.8	n/a
		CO ₂ -eq tonnes	2,367,840	2,367,840	2,367,840	2,367,840	2,367,840	2,131,056	1,803,694	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		1,526,566	0	0	435,875	0	0	104,740	2,067,181
2.2	Support costs for Lead IA (US \$)		106,860	0	0	30,511	0	0	7,332	144,703
2.3	Cooperating IA (UNEP) agreed funding (US \$)		50,000	0	0	45,000	0	0	15,000	110,000
2.4	Support costs for Cooperating IA (US \$)		6,500	0	0	5,850	0	0	1,950	14,300
3.1	Total agreed funding (US \$)		1,576,566	0	0	480,875	0	0	119,740	2,177,181
3.2	Total support costs (US \$)		113,360	0	0	36,361	0	0	9,282	159,003
3.3	Total agreed costs (US \$)		1,689,926	0	0	517,236	0	0	129,022	2,336,184
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)									629,563
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 National Agency for the Protection of the Environment (ANPE), will monitor the effectiveness of implementation of the different components under the Plan, including compliance with phase-down levels and impact of all activities against the set objectives and goals.

2. The ANPE, in close cooperation and coordination with the NOU and support of the Lead IA, will play a key role in the monitoring of the Plan and will be responsible for the sustainability of consumption reduction targets achieved through this Agreement.
3. The NOU will undertake monitoring, reporting and record-keeping on:
 - (a) HFC import and export, including data collected from local importers;
 - (b) HFC use by different sectors, including data collected from manufacturers and surveys conducted by the project management unit;
 - (c) Amounts of recovered, recycled, and unwanted HFCs;
 - (d) Regular updates on the Plan's deliverables as per targeted milestones;
 - (e) Plans, progress reports and completion reports of components and projects; and
 - (f) Information on HFC-based equipment banks and status of their operation and retirement.
4. The verification will, in addition to other tasks, cover the reports generated regarding achievements under the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$6.92 per CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. A project to phase out HFCs contained in imported pre-blended polyols in the Country's polyurethane foam sector would be subject to the Executive Committee's consideration of funding the phase-out of HFCs contained in imported pre-blended polyols.

Annex XXXIV

**AGREEMENT BETWEEN THE GOVERNMENT OF TÜRKİYE
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Türkiye (“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 31,790,838 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 or 12 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 or 12 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	37,117,410	37,117,410	37,117,410	37,117,410	37,117,410	33,405,669	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	14.4	n/a
		CO ₂ -eq tonnes	37,117,410	37,117,410	37,117,410	37,117,410	37,117,410	31,790,838	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		1,943,985	0	0	5,262,222	0	1,120,080	8,326,287
2.2	Support costs for Lead IA (US \$)		136,079	0	0	368,355	0	78,406	582,840
2.3	Cooperating IA (UNDP) agreed funding (US \$)		845,445	0	0	1,637,040	0	358,641	2,841,126
2.4	Support costs for Cooperating IA (US \$)		59,181	0	0	114,593	0	25,105	198,879
3.1	Total agreed funding (US \$)		2,789,430	0	0	6,899,262	0	1,478,721	11,167,413
3.2	Total support costs (US \$)		195,260	0	0	482,948	0	103,511	781,719
3.3	Total agreed costs (US \$)		2,984,690	0	0	7,382,210	0	1,582,232	11,949,132
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								5,326,572
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD

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 national ozone unit (NOU), under the Directorate of Climate Change (DCC) of the Ministry of Environment, Urbanization and Climate Change (MoEUCC), 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 training and other expected outcomes and facilitation of HFC consumption verification undertaken by the Lead IA.

3. The DCC will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;

- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$4.19 per CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. During the implementation of stage I of the Plan and no later than at the 98th meeting, the Country will be allowed, on an exceptional basis, to submit investment projects in the refrigeration, air-conditioning and foam sectors to achieve additional HFC reductions.

Annex XXXV

**AGREEMENT BETWEEN THE GOVERNMENT OF URUGUAY
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Uruguay (“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 911,188 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;

- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and
- (d) 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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	Freeze	Freeze	Freeze	Freeze	Freeze	10	n/a
		CO ₂ -eq tonnes	1,012,431	1,012,431	1,012,431	1,012,431	1,012,431	911,188	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	1,012,431	1,012,431	1,012,431	1,012,431	1,012,431	911,188	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		126,927	0	0	92,413	0	0	219,340
2.2	Support costs for Lead IA (US \$)		16,500	0	0	12,014	0	0	28,514
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		49,860	0	0	55,800	0	0	105,660
2.4	Support costs for Cooperating IA (US \$)		6,482	0	0	7,254	0	0	13,736
3.1	Total agreed funding (US \$)		176,787	0	0	148,213	0	0	325,000
3.2	Total support costs (US \$)		22,982	0	0	19,268	0	0	42,250
3.3	Total agreed costs (US \$)		199,769	0	0	167,481	0	0	367,250
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								101,243
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD

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 national ozone unit (NOU), operating under the Ministry of Environment, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to

monitoring overall project coordination, stakeholder engagement, and the delivery of outcomes, the NOU will facilitate the verification of HFC consumption to be undertaken by the Lead IA.

2. The Ministry of Environment is the institution responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA[s] and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;

- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. A project to phase out HFCs contained in imported pre-blended polyols in the Country's polyurethane foam sector will be subject to the decision taken by the Committee on whether it would fund the phase-out of HFCs contained in imported pre-blended polyols.

Annex XXXVI

**AGREEMENT BETWEEN THE GOVERNMENT OF VIET NAM
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 Viet Nam (“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 12,592,224 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. The World Bank has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

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	13,991,360	13,991,360	13,991,360	13,991,360	13,991,360	12,592,224	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	13,991,360	13,991,360	13,991,360	13,991,360	13,991,360	12,592,224	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)		1,557,792	0	0	1,513,187	0	0	522,204	3,593,183
2.2	Support costs for Lead IA (US \$)		109,045	0	0	105,923	0	0	36,554	251,522
2.3	Cooperating IA (UNEP) agreed funding (US \$)		461,696	0	0	440,301	0	0	155,983	1,057,980
2.4	Support costs for Cooperating IA (US \$)		55,150	0	0	52,595	0	0	18,633	126,378
3.1	Total agreed funding (US \$)		2,019,488	0	0	1,953,488	0	0	678,187	4,651,163
3.2	Total support costs (US \$)		164,195	0	0	158,518	0	0	55,187	377,900
3.3	Total agreed costs (US \$)		2,183,683	0	0	2,112,006	0	0	733,374	5,029,063
4.1.1	Deductions of HFCs under this Agreement (CO ₂ -eq tonnes)									1,438,128
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 Viet Nam National Focal Point for the Implementation of the Montreal Protocol, which is the Country's national ozone unit (NOU) under the Department of Climate Change (DCC) in the Ministry of Agriculture and Environment (MAE), is responsible for managing and coordinating the Country's overall Montreal Protocol implementation programme, including all phase-down activities and measures controlling

Annex F substances (HFCs). The management and implementation of this Agreement will be undertaken by the Plan's project management unit (PMU) which falls under the direct authority of the NOU in the DCC.

2. The MAE, through the PMU and the NOU, will collaborate and coordinate with the Ministry of Industry and Trade (MOIT) and the Department of Customs (DOC) to implement the import/control system for HFCs; review annual HFC import/export license applications; and establish and publish the annual import quotas for HFCs for the period 2024 through 2029.

3. In order to assist the MAE in monitoring and evaluating the progress of implementation of this Agreement, the PMU and the NOU will:

- (a) Update the NOU's management information system (MIS) that captures and tracks all relevant and required data on the importation of Montreal Protocol-controlled substances on an annual basis;
- (b) Update the data on the actual amount of imported HFCs;
- (c) Monitor and report, in cooperation with the DOC, any incidents of illegal import of HFCs;
- (d) Monitor the progress of HFC phase-down on the demand side;
- (e) Maintain a project MIS on HFC consumption and related activities;
- (f) Compile periodic progress reports of the Plan implementation and HFC phase-down achievements for sharing with the MAE, the MOIT, and the Ministry of Finance (MOF);
- (g) Prepare Tranche Implementation Reports and Plans according to the schedule set forth in Appendix 2-A;
- (h) Prepare other monitoring reports as required by the MAE or other Government authorities and by Executive Committee decision, in coordination with the Lead IA; and
- (i) Carry out safety and technical reviews of all relevant activities undertaken under the Plan.

4. The MAE, along with its Government partner agencies (MOIT and MOF), will be responsible for the sustainability of consumption reduction targets achieved through this Agreement; reviewing the PMU reports and data; and instituting control and policy measures which facilitate HFC control and reductions according to 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;

- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$6.47 per CO₂-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 XXXVII

**AGREEMENT BETWEEN THE GOVERNMENT OF ZIMBABWE
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: 2024–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Zimbabwe (“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 761,510 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	freeze	10.0	n/a
		CO ₂ -eq tonnes	1,210,624	1,210,624	1,210,624	1,210,624	1,210,624	1,089,561	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	21.9	21.9	21.9	21.9	26.3	37.1	n/a
		CO ₂ -eq tonnes	945,654	945,654	945,654	945,654	892,463	761,510	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		151,500	0	0	106,500	0	54,000	312,000
2.2	Support costs for Lead IA (US \$)		19,695	0	0	13,845	0	7,020	40,560
2.3	Cooperating IA (UNDP) agreed funding (US \$)		90,000	0	0	0	0	30,000	120,000
2.4	Support costs for Cooperating IA (US \$)		11,700	0	0	0	0	3,900	15,600
3.1	Total agreed funding (US \$)		241,500	0	0	106,500	0	84,000	432,000
3.2	Total support costs (US \$)		31,395	0	0	13,845	0	10,920	56,160
3.3	Total agreed costs (US \$)		272,895	0	0	120,345	0	94,920	488,160
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								449,114
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								*20,735
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD

* Including reductions of 14.50 mt (20,735 CO₂-eq tonnes) of HFC-134a from the conversion of the manufacturing of domestic refrigerators at Capri (US \$326,954, plus agency support costs of US \$22,887 for UNDP and US \$100,000, plus agency support costs of US \$13,000 for the Government of France, by decision 82/81).

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. Overall monitoring will be provided by the Ministry of Environment, Climate and Wildlife, through the national ozone unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.

2. Consumption will be monitored and determined from the official data on the import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:

- (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
- (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. Monitoring of development of the Plan and verification of the achievement of the performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

4. The Ministry of Environment, Climate and Wildlife will be responsible for the sustainability of consumption reduction targets achieved through this 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, including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$1.92 per CO₂-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 XXXVIII

**LETTERS TO BE SENT TO THE RELEVANT GOVERNMENTS
ON TRANCHE SUBMISSION DELAYS**

Country	Views expressed by the Executive Committee
Barbados (HCFC phase-out management plan (HPMP) stage II)	Noting that the overall disbursement rate of the first (2022) tranche of stage II of the HPMP was below the 20 per cent disbursement threshold, that the mandatory verification on HCFC consumption targets had not been completed, and urging the Government of Barbados to work with UNEP to complete the verification, and with UNEP and UNDP so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Cameroon (Kigali HFC implementation plan (KIP) stage I)	Noting the delays due to the heavy national administrative procedures and urging the Government of Cameroon to work with UNIDO so that the second (2026) tranche of stage I of the KIP could be submitted to the 99 th meeting.
Comoros (the) (HPMP stage II)	Noting the delays due to structural changes within the Government and urging the Government of the Comoros to work with UNEP so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Ethiopia (HPMP stage II)	Noting the delays due to the change of national ozone unit (NOU) and urging the Government of Ethiopia to work with UNEP and UNIDO so that the third (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Gabon (HPMP stage II)	Noting the non-submission of the progress and financial reports and urging the Government of Gabon to work with UNEP to submit the required progress and financial reports, and with UNEP and UNIDO so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Grenada (HPMP stage II)	Noting that the mandatory verification on HCFC consumption targets had not been completed and urging the Government of Grenada to work with UNEP to complete the verification, and with UNEP and UNIDO so that the second (2025) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 and subsequent tranches where necessary.
Guinea (HPMP stage II)	Noting the non-submission of the progress and financial reports and urging the Government of Guinea to work with UNEP to submit the required progress and financial reports, and with UNEP and UNIDO so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised agreement in accordance with decision XXXVII/9 on the change of the baseline.
Iraq (HPMP stage II)	Noting that the overall disbursement rate of the second (2022) tranche of stage II of the HPMP (UNEP component) was below the 20 per cent disbursement threshold and the recent completion of the delayed conversion investment projects under the national phase-out plan (NPP), and urging the Government of Iraq to work with UNIDO to submit the project completion reports for the conversion investment projects prior to the 99 th meeting so that the third (2023) tranche of stage II of the HPMP for UNEP and the second and third (2022 and 2023) tranches of stage II of the HPMP for UNIDO could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2022, 2023 and subsequent tranches where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Kenya (HPMP stage II)	Noting the delays due to changes in the national regulatory framework and urging the Government of Kenya to work with the Government of France so that the third (2023) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2023 and subsequent tranches where necessary.

Country	Views expressed by the Executive Committee
Kuwait (HPMP stage II)	Noting that the overall disbursement rate of the second (2023) tranche of stage II of the HPMP was below the 20 per cent disbursement threshold, and the non-submission of the progress and financial reports, and urging the Government of Kuwait to work with UNEP to submit the required progress and financial reports, and with UNEP and UNIDO so that the third (2025) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 tranche where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Malaysia (KIP stage I)	Noting that the overall disbursement rate of the first (2023) tranche of stage I of the KIP was below the 20 per cent disbursement threshold, and urging the Government of Malaysia to work with the World Bank so that the second (2025) tranche of stage I of the KIP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 and subsequent tranches where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Mauritius (HPMP)	Noting that the overall disbursement rate of the fourth (2020) tranche of the HPMP was below the 20 per cent disbursement threshold, and urging the Government of Mauritius to work with the Government of Germany so that the fifth (2023) tranche of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2023 and subsequent tranches where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Mozambique (HPMP stage II)	Noting the delays due to political situation and successive changes in the government and urging the Government of Mozambique to work with UNDP and UNEP so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Mozambique (KIP stage I)	Noting the delays due to political situation and successive changes in the Government and urging the Government of Mozambique to work with UNDP and UNEP so that the second (2026) tranche of stage I of the KIP could be submitted to the 99 th meeting.
Pakistan (HPMP stage III)	Noting the delays due to the structural changes within the Government and urging the Government of Pakistan to work with UNEP and UNIDO so that the third (2026) tranche of stage III of the HPMP could be submitted to the 99 th meeting.
Qatar (HPMP stage II)	Noting that the third (2025) tranche of stage II of the HPMP submitted to the 98 th meeting had been withdrawn, as not all the conditions specified in decision 88/54(e)(i), (ii) and (iii) had been met, and urging the Government of Qatar to work with UNEP and UNIDO so that the third (2025) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 tranche where necessary.
Saudi Arabia (HPMP stage II)	Noting the delays due to non-compliance with the Executive Committee approval conditions and that the overall disbursement rate of the first (2024) tranche of stage II of the HPMP was below the 20 per cent disbursement threshold and urging the Government of Saudi Arabia to work with UNEP and UNIDO so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Sierra Leone (HPMP stage II)	Noting the delays due to the change in ministers within the Government and urging the Government of Sierra Leone to work with UNEP so that the third (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Sudan (the) (HPMP stage III)	Noting the delays due to non-compliance with the Executive Committee approval conditions and that the overall disbursement rate of the first (2021) tranche of stage III of the HPMP was below the 20 per cent disbursement threshold and urging the Government of the Sudan to work with UNIDO so that the second (2026) tranche of stage III of the HPMP could be submitted to the 100 th meeting with a revised plan of action to take into account the reallocation of the 2026 and subsequent tranches, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.

Country	Views expressed by the Executive Committee
Syrian Arab Republic (the) (HPMP stage I)	Noting the delays due to change of ministry and NOU and that the overall disbursement rate of the second (2022) tranche of stage I of the HPMP was below the 20 per cent disbursement threshold and urging the Government of the Syrian Arab Republic to work with UNEP and UNIDO so that the third (2024) tranche of stage I of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2024 and subsequent tranches where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Timor-Leste (HPMP stage II)	Noting that sufficient funds remain available from the previously approved tranche and urging the Government of Timor-Leste to work with UNDP and UNEP so that the fourth (2025) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 tranche where necessary.
United Republic of Tanzania (the) (HPMP stage II)	Noting the delays due to the political unrest and urging the Government of the United Republic of Tanzania to work with UNEP and UNIDO so that the second (2026) tranche of stage II of the HPMP could be submitted to the 99 th meeting.
Uruguay (HPMP stage III)	Noting the delays due to the procurement of tools and equipment and urging the Government of Uruguay to work with UNDP and UNIDO so that the third (2026) tranche of stage III of the HPMP could be submitted to the 99 th meeting.
Venezuela (Bolivarian Republic of) (HPMP stage II)	Noting the delays due to external factors that affected the implementation of the project and urging the Government of the Bolivarian Republic of Venezuela to work with UNIDO so that the fourth (2025) tranche of stage II of the HPMP could be submitted to the 99 th meeting with a revised plan of action to take into account the reallocation of the 2025 and subsequent tranches where necessary.
Viet Nam (HPMP stage III)	Noting that the overall disbursement rate of the first (2023) tranche of stage III of the HPMP was below the 20 per cent disbursement threshold, and urging the Government of Viet Nam to work with the World Bank so that the second (2026) tranche of stage III of the HPMP could be submitted to the 100 th meeting with a revised plan of action to take into account the reallocation of the 2026 and subsequent tranches, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.

Annex XXXIX

WORKING TEXT ON AGENDA ITEM 8(A): METHODOLOGY USED TO CALCULATE THE CLIMATE IMPACTS FROM THE IMPLEMENTATION OF KIGALI HFC IMPLEMENTATION PLANS

Working text of the recommendation

1. [The Executive Committee decided:

- [(a)] To approve the methodology to calculate the climate impacts from the implementation of Kigali HFC implementation plans (KIPs) as described in Annex [XYZ] of the present document and requesting the Secretariat to apply the methodology [for an initial period of three years] [to approved and future KIPs] [on the following understanding:
 - (i) That the methodology shall be used for generating an aggregated [informational] indicator of climate benefits [for information purposes only], [which remains secondary to the primary objective to assist Article 5 countries in meeting their HFC phasedown obligations; and]] [noting that the indicator has no nexus to compliance or funding levels]
 - (ii) [The indicator has no bearing on the review of KIPs or the level of assistance provided to Article 5 countries;]
 - (iii) Its application by the Secretariat shall not create additional reporting requirements for Article 5 countries [in their KIP proposals, progress reports, or tranche requests]];
- [(b)] [To note that the Secretariat will provide an update, at the 104th meeting, on future work related to the following:
 - (i) Further updates to the Multilateral Fund Climate Impact Indicator as described in the document referred to in subparagraph (a);
 - (ii) An updated methodology referred to in subparagraph (a), taking into account reduced emissions from improved energy efficiency from the implementation of KIPs [, and including a proposal for providing data at the project level]; and
 - (iii) A possible methodology to account for the phase-in relating to the implementation of HCFC phase-out management plans.]]
- (b) [Alt: To request the Secretariat, in consultation with the bilateral and implementing agencies, to prepare a paper for consideration at a future meeting on options for potential future updates to the climate impact methodology, including:
 - (i) A possible approach to account for climate benefits resulting from improved energy efficiency in the implementation of KIPs; and
 - (ii) A review of the continued applicability of the assumptions used in the approved methodology including the growth rates for the BAU scenarios.]
 - (iii) [MCII]

Annex [XYZ]

**METHODOLOGY TO CALCULATE THE CLIMATE IMPACTS FROM THE
IMPLEMENTATION OF KIGALI HFC IMPLEMENTATION PLANS AS DESCRIBED IN
PARAGRAPHS 19-29 OF DOCUMENT UNEP/OZL.PRO/EXCOM/97/26 AND AS AMENDED
DURING THE 97TH MEETING**

Background

1. While the information related to the impact on the climate from the implementation of HPMPs has been included in respective meeting documents, such information has been limited. For those HPMPs that only included activities in the servicing sector, the Secretariat noted that each kilogram of HCFC-22 not emitted due to better refrigeration practices resulted in the savings of approximately 1.8 CO₂-equivalent (CO₂-eq) tonnes, without providing a cumulative benefit achieved from such reductions from the HCFC phase-out. For HPMPs that included manufacturing conversions, information presented to date only reflected the climate impact from manufacturing conversions for one year, and not the cumulative climate impact over the duration of HPMP implementation. In particular, the reported impact on the climate from manufacturing conversions has been provided in terms of the benefit that would be achieved from the manufacturing in one year with the new technology; for refrigeration and air-conditioning (RAC) manufacturing conversions, the reported impact on the climate as calculated by the Multilateral Fund Climate Impact Indicator (MCII) also includes the reduced emissions from servicing equipment manufactured in one year and from energy-efficiency improvements of that equipment over the lifetime of the equipment.

2. The adoption of the Kigali Amendment added control obligations for HFCs that are measured in CO₂-eq tonnes. Reporting the reductions in consumption and production from HFC phase-down projects supported by the Multilateral Fund will be similarly straightforward as was the case for phase-out projects for ozone-depleting substances (ODSs), with the only substantive difference being the unit of measurement (i.e., CO₂-eq tonnes vice ODP tonnes). In contrast, estimating climate benefits that will be achieved from HFC phase-down projects is fundamentally different. Accordingly, the Secretariat developed a methodology described below that aims to take into account the cumulative benefit of the KIP implementation and ensure equity across Article 5 countries.

3. Article 5 countries' HFC baseline for compliance includes both an HFC component, the HFC consumption in the baseline years,¹ and an HCFC component, equivalent to 65 per cent of the HCFC baseline consumption. All KIPs approved so far have included targets to ensure that the Article 5 country concerned is in compliance with the Montreal Protocol; however, few KIPs have included a final target that is below the country's most recently reported HFC consumption. If climate benefits were estimated based on the country's most recent consumption, almost all KIP stages approved so far would have an estimated climate disbenefit, which would not reflect the emissions that were avoided from the implementation of the KIP. Moreover, this would not reflect the agreement reached by the Parties in determining the HFC baseline for compliance, which allowed Article 5 countries' consumption to grow, including due to the possible phase-in of HFCs from the phase-out of HCFCs. Accordingly, the methodology to estimate the climate benefits from the implementation of KIPs is based on the emissions avoided relative to BAU scenarios.

Development of business-as-usual scenarios

4. The methodology proposed by the Secretariat uses two BAU scenarios to capture the range of likely avoided HFC consumption. HFC consumption is used as a proxy for emissions, given that all consumption is assumed to result in emissions eventually; the methodology makes no assumption about when the emission takes place. Accordingly, the term "avoided emissions" can be understood to be equivalent to "avoided

¹ 2020 to 2022 for group 1 Article 5 countries and 2024 to 2026 for group 2 Article 5 countries.

consumption.” Since Montreal Protocol control measures result in consumption reductions, those control measures result in sustained aggregate reductions that result in cumulative benefits.

5. Rather than using consumption as a proxy for emissions, methodologies also exist that estimate emissions of refrigerants based on a detailed inventory of a country’s bank of installed equipment and, where relevant, level of manufacturing of HFC-based equipment in the country, as well as emission factors from other sectors (e.g., firefighting, aerosols and solvents). The IPCC recommends three different assessment tiers depending on, *inter alia*, whether inventory data are available over multiple years and whether country-specific uncertainty estimates are available for each source category estimate, with tier 1 being the simplest and least work-intensive assessment, and tier 3 the most data- and work-intensive.² Estimating the avoided emissions using an emissions inventory-based approach would not only require an initial emissions inventory, but the KIP proposal would also have to specify how the inventory is expected to change over the course of the KIP, including *inter alia* how the installed equipment bank would change, and emissions of HFCs from that bank based on servicing practices improved under the KIP. Considerable additional resources would need to be provided to agencies to include such information when they prepare KIPs, to Article 5 countries to enable the collection of the necessary data and to maintain the emissions inventory, and to the Secretariat to review such information.

6. The BAU scenarios proposed depend on the initial HFC consumption during baseline years and estimated consumption growth, as follows:

- (a) BAU Scenario Low: Calculated using the HFC component of the baseline multiplied by a growth rate of 3 per cent. This represents the lowest initial consumption from which growth can be calculated as it reflects a country’s HFC consumption in its baseline years; and
- (b) BAU Scenario High: Calculated using the HFC component of the baseline multiplied by a growth rate of 3.5 per cent, plus the average HCFC consumption during the country’s HFC baseline years. This represents a higher initial consumption from which growth can be calculated as it considers remaining HCFC consumption that could still result in additional HFC consumption from the HCFC phase-out, where that HCFC consumption is assumed to gradually convert to HFCs over a five-year period.

7. In its reports, the Scientific Assessment Panel (SAP) has used world-avoided scenarios to evaluate the impact of the Montreal Protocol on climate. The world-avoided scenario is an idealized counterfactual scenario and typically assumes that uncontrolled ODSs would have increased at a rate of 3.0 to 3.5 per cent per year in the absence of the Montreal Protocol based on expected growth in gross domestic product (GDP) and market analysis; a sustained rate of emissions of ODSs of 3.0 to 3.5 per cent per year should be viewed as only one of many possible world-avoided scenarios, which could also include scenarios with varying assumptions about future GDP growth.³ The methodology has been shared with a member of the SAP and his views were taken into account in its development.

8. Subsequent to discussions at the 97th meeting, it was agreed to use a 3 per cent and a 3.5 per cent nominal growth rate in HFC consumption for all Article 5 countries, consistent with the low-and high-end of the growth rate used by the SAP. The Secretariat does not propose using the BAU scenario included in KIP proposals submitted by agencies because doing so would result in differing growth rates across Article 5 countries and would raise concerns about equity. For example, using a country-specific growth rate would result in lower estimated climate benefits for an Article 5 country with a lower expected growth in GDP than one with higher expected growth. Furthermore, using the BAU scenarios provided by agencies as part of

² https://www.ipcc.ch/site/assets/uploads/2019/12/19R_V0_01_Overview.pdf

³ World Meteorological Organization (WMO). *Scientific Assessment of Ozone Depletion: 2022*, GAW Report No. 278, 509 pp.; WMO: Geneva, 2022.

their KIP proposals could incentivize agencies to propose higher growth rates than would otherwise be applicable.

9. The estimated range of avoided emissions from the implementation of the KIP is the difference between the high and low BAU scenarios and the target for that year specified in the KIP Agreement, noting that the target could be a lower value than that specified under the Montreal Protocol. In order to ensure that the methodology captures the emission reductions to be achieved from the reductions in consumption, benefits are integrated over 10 years, where the final target of stage I of the KIP is used for the years subsequent to the date completion of the stage. If HFC consumption under a BAU scenario in a given year is below the target specified for that year, the avoided emissions for that year are set to zero. In order to provide information on the possible long-term benefits of KIP implementation, which more easily shows the benefits of early action, the benefits through 2050 can be provided for informational purposes.

10. Subsequent to discussions at the 98th meeting, it was agreed to apply the methodology on an aggregated basis, whereby the Secretariat would report at each meeting, in the document on the Overview of issues identified during project review, the aggregated climate impacts expected from the implementation of KIPs considered at that meeting; meeting documents presenting an individual KIP would not include information on the climate impact of that KIP. Any Article 5 country that wishes to have the calculation of the climate impact from the implementation of its KIP could request the Secretariat to provide its Government with this calculation.

11. For example, the aggregated climate benefits of the 85 stage I KIPs approved since 2023, using the methodology described in paragraphs 6 and 9 above, are summarized in table 1, where the low BAU scenario is based on a 3 per cent growth rate of the HFC component of the baseline and the high BAU scenario is based on a 3.5 per cent growth rate plus the average HCFC consumption during HFC baseline years.

Table 1: Aggregated climate benefits of approved stage I of KIPs in 2023-2025

Year of KIP approval	Total KIP funding approved in principle (US \$)	10-year climate benefits (CO ₂ -eq tonnes)	
		Low BAU scenario	High BAU scenario
2023	49,806,903	196,500,928	688,234,811
2024	31,510,336	561,364,651	919,779,247
2025	35,256,880	184,499,754	628,980,073
Total	116,574,119	942,365,333	2,236,994,131

12. The methodology accounts for neither the GWP of substances not controlled under the Montreal Protocol that may be phased in during the HFC phase-down, nor the GWP of substances that are not HFCs that may nonetheless be phased out as part of the HFC phase-down.⁴ The former results in an overestimate of the avoided emissions, while the latter results in an underestimate. The methodology also does not account for the use patterns of HFCs that may differ across climate zones and economies, which can in turn affect the expected growth in HFC consumption and when HFCs that are consumed are expected to be emitted to the atmosphere, nor for possible increased heatwaves or other climatic effects.

⁴ For example, R-508B consists of 46 per cent HFC-23 and 54 per cent PFC-116, and has a GWP of 12,802; however, the calculated consumption from that blend only reflects the GWP of HFC-23, resulting in an effective GWP under the Kigali Amendment of 6,808. Similarly, R-401A is a blend consisting of 53 per cent HCFC-22, 13 per cent HFC-152a, and 34 per cent HCFC-124, and has a GWP of 1,182.48; however, for the purposes of calculated consumption, the GWP of the blend is 16.12.

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ALBANIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, third tranche)	UNIDO			\$35,250	\$2,467	\$37,717
HCFC phase-out management plan (stage II, third tranche)	UNEP			\$9,000	\$1,170	\$10,170
HCFC phase-out management plan (stage III, first tranche) <i>Conditions in decision 98/30</i>	UNIDO	1.0		\$152,530	\$13,728	\$166,258
HCFC phase-out management plan (stage III, first tranche) <i>Conditions in decision 98/30</i>	UNEP	0.2		\$25,000	\$3,250	\$28,250
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, second tranche) <i>Conditions in para. 70, document UNEP/OzL.Pro/ExCom/98/17</i>	UNIDO		23	\$94,610	\$12,299	\$106,909
Kigali HFC implementation plan (stage I, second tranche) <i>Conditions in para. 70, document UNEP/OzL.Pro/ExCom/98/17</i>	UNEP		12	\$50,000	\$6,500	\$56,500
Total for Albania		1.2	36	\$366,390	\$39,414	\$405,804
ANGOLA						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the industrial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
HCFC phase-out management plan (stage III): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6) <i>Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/18</i>	UNDP			\$120,000	\$8,400	\$128,400
Total for Angola				\$150,000	\$10,500	\$160,500

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ANTIGUA AND BARBUDA						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$100,000	\$13,000	\$113,000
Condition in para. 17, document UNEP/OzL.Pro/ExCom/98/19						
Total for Antigua and Barbuda				\$100,000	\$13,000	\$113,000
ARGENTINA						
PHASE-OUT PLAN						
HFC-23 emission control						
Control and phase-out of HFC-23 emissions in the production of HCFC-22 at FIASA (fourth tranche)	UNIDO			\$81,477	\$5,703	\$87,180
Condition in decision 98/41						
Total for Argentina				\$81,477	\$5,703	\$87,180
ARMENIA						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNIDO			\$30,000	\$2,700	\$32,700
Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNIDO			\$30,000	\$2,100	\$32,100
Total for Armenia				\$60,000	\$4,800	\$64,800
BAHAMAS						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNEP			\$75,500	\$9,815	\$85,315
HCFC phase-out management plan (stage II, second tranche)	UNIDO			\$133,080	\$11,977	\$145,057
Total for Bahamas				\$208,580	\$21,792	\$230,372

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
BAHRAIN						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, first tranche)	UNEP	1.7		\$145,000	\$18,850	\$163,850
<i>Conditions in decision 98/31</i>						
Total for Bahrain		1.7		\$145,000	\$18,850	\$163,850
BARBADOS						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Barbados				\$30,000	\$2,100	\$32,100
BELIZE						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche)	UNDP		3	\$32,900	\$4,277	\$37,177
<i>Conditions in decision 98/42</i>						
Kigali HFC implementation plan (stage I, first tranche)	UNEP		6	\$61,100	\$7,943	\$69,043
<i>Conditions in decision 98/42</i>						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Belize			10	\$124,000	\$14,320	\$138,320
BENIN						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNEP			\$210,000	\$26,100	\$236,100
<i>Condition in para. 21, document UNEP/OzL.Pro/ExCom/98/24</i>						

List of projects and activities approved for funding

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Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Benin				\$240,000	\$30,000	\$270,000
BHUTAN						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche)	UNEP		0	\$31,000	\$4,030	\$35,030
Conditions in decision 98/43						
Kigali HFC implementation plan (stage I, first tranche)	UNDP		0	\$50,000	\$6,500	\$56,500
Conditions in decision 98/43						
Total for Bhutan				1	\$81,000	\$10,530
\$91,530						
BOLIVIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, third tranche)	UNIDO	1.6		\$147,530	\$10,327	\$157,857
HCFC phase-out management plan (stage II, third tranche)	UNEP	0.3		\$9,000	\$1,170	\$10,170
HFC PHASE-DOWN						
Foam						
Kigali HFC implementation plan (stage I, second tranche) (PU foam sector plan to eliminate HFCs contained in imported pre-blended polyols)	UNIDO		36	\$146,790	\$19,083	\$165,873
Conditions in decision 98/44						
Servicing						
Kigali HFC implementation plan (stage I, second tranche)	UNEP		6	\$20,000	\$2,600	\$22,600
Conditions in decision 98/44						
Kigali HFC implementation plan (stage I, second tranche)	UNIDO		25	\$78,500	\$10,205	\$88,705
Conditions in decision 98/44						

List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNIDO			\$30,000	\$2,100	\$32,100
Total for Bolivia		1.9	66	\$431,820	\$45,485	\$477,305
BOSNIA AND HERZEGOVINA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, third tranche) <i>Conditions in para. 27, document UNEP/OzL.Pro/ExCom/98/27</i>	UNIDO			\$50,000	\$3,500	\$53,500
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16</i>	UNIDO			\$30,000	\$2,700	\$32,700
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNIDO			\$100,000	\$7,000	\$107,000
Total for Bosnia and Herzegovina				\$180,000	\$13,200	\$193,200
BRAZIL						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/45</i>	UK		433	\$1,080,607	\$123,367	\$1,203,974
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/45</i>	UNDP		1,006	\$2,513,040	\$175,913	\$2,688,953
Kigali HFC implementation plan (stage I, first tranche) (PMU) <i>Conditions in decision 98/45</i>	UNDP			\$495,000	\$34,650	\$529,650

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Kigali HFC implementation plan (stage I, first tranche) (PMU)	UNIDO			\$100,000	\$7,000	\$107,000
<i>Conditions in decision 98/45</i>						
Kigali HFC implementation plan (stage I, first tranche)	UNIDO		460	\$1,149,557	\$80,469	\$1,230,026
<i>Conditions in decision 98/45</i>						
Refrigeration						
Kigali HFC implementation plan (stage I, first tranche) (commercial refrigeration manufacturing)	UNDP		224	\$3,080,000	\$215,600	\$3,295,600
<i>Conditions in decision 98/45</i>						
Kigali HFC implementation plan (stage I, first tranche) (industrial refrigeration manufacturing)	UNIDO		58	\$316,780	\$22,175	\$338,955
<i>Conditions in decision 98/45</i>						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the industrial refrigeration sector (decision 91/65)	UNIDO			\$40,000	\$2,800	\$42,800
Domestic/Commercial						
Preparation of a project for enhancing energy efficiency in RAC manufacturing enterprises in the context of HFC phase-down (decision 94/60)	UNDP			\$81,000	\$5,670	\$86,670
Total for Brazil			2,181	\$8,855,984	\$667,644	\$9,523,628
BURKINA FASO						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNEP	2.1		\$205,000	\$25,479	\$230,479
<i>Conditions in para. 20, document UNEP/OzL.Pro/ExCom/98/29</i>						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	Germany			\$30,000	\$3,900	\$33,900
<i>Conditions in para. 7, document UNEP/OzL.Pro/ExCom/98/11</i>						
Total for Burkina Faso		2.1		\$235,000	\$29,379	\$264,379

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
BURUNDI						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$100,000	\$13,000	\$113,000
Condition in para. 18 of document UNEP/OzL.Pro/ExCom/98/30						
Total for Burundi				\$100,000	\$13,000	\$113,000
CAMBODIA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase XIII:1/2027-12/2029)	UNEP			\$298,522	\$0	\$298,522
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in commercial and industrial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Cambodia				\$328,522	\$2,100	\$330,622
CAPE VERDE						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNEP			\$131,000	\$16,827	\$147,827
Conditions in paras. 27-28 of document UNEP/OzL.Pro/ExCom/98/31						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$100,000	\$12,845	\$112,845
Total for Cape Verde				\$231,000	\$29,672	\$260,672

List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
CHAD						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Chad				\$30,000	\$3,900	\$33,900
CHILE						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase XVI: 7/2026-6/2029)	UNDP			\$494,283	\$34,600	\$528,883
Total for Chile				\$494,283	\$34,600	\$528,883
COLOMBIA						
ENERGY EFFICIENCY						
Servicing						
Technical assistance for the energy-efficiency revolving-fund end-user project (decision 95/87)	UNDP			\$260,000	\$18,200	\$278,200
Conditions in decision 98/54						
End-user						
Energy-efficiency revolving-fund end-user project (Global) (decision 95/87)	UNDP			\$8,000,000	\$560,000	\$8,560,000
Conditions in decision 98/54						
Total for Colombia				\$8,260,000	\$578,200	\$8,838,200
CONGO, DR						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNDP	2.1		\$210,500	\$14,735	\$225,235
Conditions in para. 30, document UNEP/OzL.Pro/ExCom/98/32						
HCFC phase-out management plan (stage II, second tranche)	UNEP	1.6		\$160,000	\$20,267	\$180,267
Conditions in para. 30, document UNEP/OzL.Pro/ExCom/98/32						
Total for Congo, DR		3.7		\$370,500	\$35,002	\$405,502

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
COOK ISLANDS						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Cook Islands				\$30,000	\$3,900	\$33,900
COSTA RICA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNDP			\$45,000	\$4,050	\$49,050
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						
Total for Costa Rica				\$45,000	\$4,050	\$49,050
DOMINICAN REPUBLIC						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, third tranche)	UNDP	11.3		\$603,005	\$42,210	\$645,215
Condition in para. 19 of document UNEP/OzL.Pro/ExCom/98/33						
HCFC phase-out management plan (stage III, third tranche)	UNEP	1.3		\$69,475	\$9,032	\$78,507
Condition in para. 19 of document UNEP/OzL.Pro/ExCom/98/33						
Total for Dominican Republic		12.6		\$672,480	\$51,242	\$723,722
ECUADOR						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, third tranche)	UNIDO	8.5		\$255,500	\$17,885	\$273,385
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IX: 6/2026-5/2029)	UNIDO			\$468,452	\$32,792	\$501,244

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
HFC PHASE-DOWN						
Foam						
Kigali HFC implementation plan (stage I, second tranche) (PU foam sector plan to eliminate HFCs contained in imported pre-blended polyols)	UNIDO		96	\$424,950	\$29,746	\$454,696
Conditions in decision 98/46						
Servicing						
Kigali HFC implementation plan (stage I, second tranche) (PMU)	UNIDO			\$33,200	\$2,324	\$35,524
Conditions in decision 98/46						
Kigali HFC implementation plan (stage I, second tranche)	UNIDO		217	\$331,214	\$23,185	\$354,399
Conditions in decision 98/46						
ENERGY EFFICIENCY						
Servicing						
Pilot demonstration project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities) (decision 91/65)	UNIDO			\$449,600	\$31,472	\$481,072
Conditions in decision 98/55						
Total for Ecuador		8.5	313	\$1,962,916	\$137,404	\$2,100,320
EL SALVADOR						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNDP			\$30,000	\$2,700	\$32,700
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						
Total for El Salvador				\$30,000	\$2,700	\$32,700
ERITREA						
SEVERAL						
Ozone unit support						
Renewal of the institutional strengthening project (phase VII: 7/2026-6/2029)	UNEP			\$180,000	\$0	\$180,000
Total for Eritrea				\$180,000		\$180,000

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ESWATINI						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNEP			\$45,000	\$5,850	\$50,850
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IX: 7/2026-6/2029)	UNEP			\$180,000	\$0	\$180,000
Total for Eswatini				\$225,000	\$5,850	\$230,850
ETHIOPIA						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Ethiopia				\$60,000	\$6,000	\$66,000
FIJI						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche)	UNEP		1.8	\$93,900	\$12,207	\$106,107
HCFC phase-out management plan (stage II, second tranche)	UNDP		1.9	\$139,000	\$9,730	\$148,730

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
	Total for Fiji	3.7		\$262,900	\$25,837	\$288,737
GAMBIA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNEP			\$45,000	\$5,850	\$50,850
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase XIII: 7/2026-6/2029)	UNEP			\$180,000	\$0	\$180,000
	Total for Gambia			\$225,000	\$5,850	\$230,850
GEORGIA						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of the stage II HPMP and stage I KIP	UNDP			\$45,000	\$4,050	\$49,050
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						
	Total for Georgia			\$45,000	\$4,050	\$49,050
GHANA						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNDP			\$30,000	\$2,700	\$32,700
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ENERGY EFFICIENCY						
Servicing						
Technical assistance for the energy-efficiency revolving-fund end-user project (decision 95/87)	UNDP			\$165,000	\$11,550	\$176,550
Conditions in decision 98/54						
Energy-efficiency revolving-fund end-user project (Global) (decision 95/87)	UNDP			\$4,000,000	\$280,000	\$4,280,000
Conditions in decision 98/54						
Total for Ghana				\$4,195,000	\$294,250	\$4,489,250
GRENADA						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VIII: 7/2026-6/2029)	UNEP			\$180,000	\$0	\$180,000
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Grenada				\$210,000	\$3,900	\$213,900
GUATEMALA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNIDO			\$30,000	\$2,700	\$32,700
Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16						
Total for Guatemala				\$30,000	\$2,700	\$32,700
GUINEA-BISSAU						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
ENERGY EFFICIENCY						
Servicing						
Preparation of a pilot project on energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Guinea-Bissau				\$60,000	\$6,000	\$66,000
GUYANA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, fourth tranche) <i>Conditions in para. 26, document UNEP/OzL.Pro/ExCom/98/36</i>	UNEP			\$45,500	\$5,915	\$51,415
HCFC phase-out management plan (stage II, fourth tranche) <i>Conditions in para. 26, document UNEP/OzL.Pro/ExCom/98/36</i>	UNDP			\$35,000	\$2,450	\$37,450
Total for Guyana				\$80,500	\$8,365	\$88,865
HAITI						
HFC PHASE-DOWN						
Servicing						
Preparation of a Kigali HFC implementation plan (stage I)	UNDP			\$130,000	\$9,100	\$139,100
Total for Haiti				\$130,000	\$9,100	\$139,100
HONDURAS						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan <i>Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16</i>	UNIDO			\$30,000	\$2,700	\$32,700
Total for Honduras				\$30,000	\$2,700	\$32,700
INDIA						
HFC PHASE-DOWN						
Servicing						
Preparation of a Kigali HFC implementation plan (stage I) (Overarching)	UNDP			\$450,000	\$31,500	\$481,500

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Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Refrigeration						
Preparation of KIP investment projects in the refrigeration manufacturing sector for Ultrakool and Birla Aircon Limited	UNDP			\$60,000	\$4,200	\$64,200
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$50,000	\$3,500	\$53,500
Total for India				\$560,000	\$39,200	\$599,200
INDONESIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, second tranche)	UNDP	69.1		\$5,415,032	\$379,052	\$5,794,084
HCFC phase-out management plan (stage III, second tranche)	Australia	5.6		\$415,000	\$48,113	\$463,113
ENERGY EFFICIENCY						
Domestic						
Project to enhance energy efficiency in the manufacturing of domestic refrigerators and freezers, beverage coolers, and ice cream display freezers in the context of HFC phase-down (decision 94/60)	UNDP			\$4,369,739	\$305,882	\$4,675,621
Conditions in decision 98/56						
Project to enhance energy efficiency in the manufacturing of domestic refrigerators and freezers, beverage coolers, and ice cream display freezers in the context of HFC phase-down (decision 91/65)	UNDP			\$130,000	\$9,100	\$139,100
Conditions in decision 98/56						
Total for Indonesia		74.7		\$10,329,771	\$742,147	\$11,071,918
JAMAICA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNDP			\$30,000	\$2,700	\$32,700
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						
Total for Jamaica				\$30,000	\$2,700	\$32,700

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Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
JORDAN						
ENERGY EFFICIENCY						
Servicing						
Technical assistance for the energy-efficiency revolving-fund end-user project (decision 95/87)	UNDP			\$240,000	\$16,800	\$256,800
Conditions in decision 98/54						
Energy-efficiency revolving-fund end-user project (Global) (decision 95/87)	UNDP			\$8,000,000	\$560,000	\$8,560,000
Conditions in decision 98/54						
Total for Jordan				\$8,240,000	\$576,800	\$8,816,800
KENYA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase XIV: 7/2026-6/2029)	UNEP			\$401,857	\$0	\$401,857
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Kenya				\$431,857	\$2,100	\$433,957
KIRIBATI						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Kiribati				\$30,000	\$3,900	\$33,900
LAO, PDR						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNEP			\$45,000	\$5,850	\$50,850
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Lao, PDR				\$45,000	\$5,850	\$50,850

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Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
LEBANON						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase XIV: 8/2026-7/2029)	UNDP			\$410,926	\$28,765	\$439,691
Total for Lebanon				\$410,926	\$28,765	\$439,691
LESOTHO						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNEP			\$45,000	\$5,850	\$50,850
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Lesotho				\$45,000	\$5,850	\$50,850
LIBERIA						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase XI: 11/2026-10/2029)	UNEP			\$225,780	\$0	\$225,780
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	Germany			\$30,000	\$3,900	\$33,900
Conditions in para. 7, document UNEP/OzL.Pro/ExCom/98/11						
Total for Liberia				\$255,780	\$3,900	\$259,680
MALAWI						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, third tranche)	UNEP		2.9	\$65,000	\$8,217	\$73,217
Total for Malawi				\$65,000	\$8,217	\$73,217

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
MALI						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Mali				\$30,000	\$3,900	\$33,900
MARSHALL ISLANDS						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Marshall Islands				\$30,000	\$3,900	\$33,900
MAURITIUS						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	Germany			\$30,000	\$3,900	\$33,900
Conditions in para. 7, document UNEP/OzL.Pro/ExCom/98/11						
Total for Mauritius				\$30,000	\$3,900	\$33,900
MEXICO						
PHASE-OUT PLAN						
HFC-23 emission control						
Control and phase-out of HFC-23 emissions in the production of HCFC-22 at Quimobásicos (fifth tranche)	UNIDO			\$215,109	\$15,058	\$230,167
HFC PHASE-DOWN						
Foam						
Kigali HFC implementation plan (stage I, second tranche)	UNDP		273	\$1,332,750	\$93,293	\$1,426,043
Conditions in decision 98/47						
Servicing						
Kigali HFC implementation plan (stage I, second tranche)	UNDP		907	\$650,515	\$45,536	\$696,051
Conditions in decision 98/47						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Kigali HFC implementation plan (stage I, second tranche) <i>Conditions in decision 98/47</i>	UNIDO		4,889	\$3,578,352	\$250,485	\$3,828,837
Kigali HFC implementation plan (stage I, second tranche) <i>Conditions in decision 98/47</i>	UNEP		300	\$215,100	\$26,668	\$241,768
Kigali HFC implementation plan (stage I, second tranche) (PMU) <i>Conditions in decision 98/47</i>	UNEP			\$12,695	\$1,574	\$14,269
Kigali HFC implementation plan (stage I, second tranche) (PMU) <i>Conditions in decision 98/47</i>	UNIDO			\$211,199	\$14,784	\$225,983
Kigali HFC implementation plan (stage I, second tranche) (PMU) <i>Conditions in decision 98/47</i>	UNDP			\$70,000	\$4,900	\$74,900
Total for Mexico			6,369	\$6,285,720	\$452,298	\$6,738,018

MICRONESIA

HFC PHASE-DOWN

Servicing

Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15</i>	UNEP			\$30,000	\$3,900	\$33,900
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Total for Micronesia **\$30,000** **\$3,900** **\$33,900**

MOLDOVA, REP

SEVERAL

Ozone unit support

Extension of the institutional strengthening project (phase XIII: 7/2026-6/2029)	UNEP			\$183,707	\$0	\$183,707
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HFC PHASE-DOWN

Servicing

Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15</i>	UNEP			\$30,000	\$3,900	\$33,900
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Total for Moldova, Rep **\$213,707** **\$3,900** **\$217,607**

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
MONGOLIA						
SEVERAL						
Ozone unit support						
Renewal of the institutional strengthening project (phase XIV: 1/2027-12/2029)	UNEP			\$180,000	\$0	\$180,000
Condition in para. 6, document UNEP/OzL.Pro/ExCom/98/15						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Mongolia				\$210,000	\$3,900	\$213,900
MONTENEGRO						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNIDO			\$45,000	\$4,050	\$49,050
Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase III: 10/2026-9/2029)	UNIDO			\$180,000	\$12,600	\$192,600
Total for Montenegro				\$225,000	\$16,650	\$241,650
MOROCCO						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, first tranche)	UNIDO	1.9		\$153,000	\$10,710	\$163,710
Conditions in decision 98/33						
HCFC phase-out management plan (stage III, first tranche) (PMU)	UNIDO			\$12,240	\$857	\$13,097
Conditions in decision 98/33						
Total for Morocco		1.9		\$165,240	\$11,567	\$176,807

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
NAMIBIA						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/48</i>	UNEP		40	\$113,000	\$14,690	\$127,690
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/48</i>	UNIDO		29	\$82,000	\$10,660	\$92,660
Total for Namibia			70	\$195,000	\$25,350	\$220,350
NAURU						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15</i>	UNEP			\$30,000	\$3,900	\$33,900
Total for Nauru				\$30,000	\$3,900	\$33,900
NIGER						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, second tranche) <i>Condition in para. 21, document UNEP/OzL.Pro/ExCom/98/42</i>	UNIDO			\$166,000	\$11,620	\$177,620
HCFC phase-out management plan (stage II, second tranche) <i>Condition in para. 21, document UNEP/OzL.Pro/ExCom/98/42</i>	UNEP			\$84,500	\$10,985	\$95,485
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 13, document UNEP/OzL.Pro/ExCom/98/16</i>	UNIDO			\$30,000	\$2,700	\$32,700
Total for Niger				\$280,500	\$25,305	\$305,805

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
NIGERIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage IV, first tranche)	UK	7.1		\$519,000	\$65,720	\$584,720
Conditions in decision 98/35						
HCFC phase-out management plan (stage II, fourth tranche) (PMU)	UNDP			\$84,000	\$5,880	\$89,880
Conditions in decision 98/34						
HCFC phase-out management plan (stage II, fourth tranche)	UNDP	37.2		\$1,526,472	\$106,853	\$1,633,325
Conditions in decision 98/34						
HCFC phase-out management plan (stage IV, first tranche) (PMU)	UNDP			\$171,743	\$12,022	\$183,765
Conditions in decision 98/35						
HCFC phase-out management plan (stage IV, first tranche)	UNDP	43.1		\$3,146,734	\$220,271	\$3,367,005
Conditions in decision 98/35						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, second tranche)	UNDP		278	\$795,451	\$55,681	\$851,132
Conditions in decision 98/49						
Kigali HFC implementation plan (stage I, second tranche)	UNIDO		108	\$307,800	\$21,546	\$329,346
Conditions in decision 98/49						
Kigali HFC implementation plan (stage I, second tranche) (PMU)	UNDP			\$113,755	\$7,963	\$121,718
Conditions in decision 98/49						
Kigali HFC implementation plan (stage I, second tranche)	Italy		88	\$250,000	\$32,500	\$282,500
Conditions in decision 98/49						
Kigali HFC implementation plan (stage I, second tranche) (PMU)	UNIDO			\$90,125	\$6,309	\$96,434
Conditions in decision 98/49						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Refrigeration						
Kigali HFC implementation plan (stage I, second tranche) (domestic refrigeration manufacturing)	UNIDO		143	\$179,484	\$12,564	\$192,048
Conditions in decision 98/49						
Air conditioning						
Kigali HFC implementation plan (stage I, second tranche) (residential air conditioners manufacturing)	UNIDO		295	\$624,465	\$43,712	\$668,177
Conditions in decision 98/49						
Total for Nigeria		87.5	911	\$7,809,029	\$591,021	\$8,400,050
NIUE						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase X: UNEP 1/2027-12/2029)				\$100,000	\$0	\$100,000
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Niue				\$130,000	\$3,900	\$133,900
NORTH MACEDONIA						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IX: 12/2026-11/2029)	UNIDO			\$350,666	\$24,547	\$375,213
Total for North Macedonia				\$350,666	\$24,547	\$375,213
PALAU						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase XI: 1/2027-12/2029)	UNEP			\$180,000	\$0	\$180,000

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Palau				\$210,000	\$3,900	\$213,900
PANAMA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, third tranche)	UNDP	4.7		\$458,838	\$32,119	\$490,957
Condition in para. 26, document UNEP/OzL.Pro/ExCom/98/45						
Total for Panama		4.7		\$458,838	\$32,119	\$490,957
PAPUA NEW GUINEA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	Germany			\$30,000	\$3,900	\$33,900
Conditions in para. 7, document UNEP/OzL.Pro/ExCom/98/11						
Total for Papua New Guinea				\$30,000	\$3,900	\$33,900
PARAGUAY						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Paraguay				\$30,000	\$3,900	\$33,900
RWANDA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of the stage II HPMP and stage I KIP	UNEP			\$45,000	\$5,850	\$50,850
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase XI: 1/2027-12/2029)	UNEP			\$180,000	\$0	\$180,000
Total for Rwanda				\$225,000	\$5,850	\$230,850
SAINT KITTS AND NEVIS						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, first tranche) <i>Conditions in decision 98/36</i>	UNEP			\$68,900	\$8,957	\$77,857
HCFC phase-out management plan (stage II, first tranche) <i>Conditions in decision 98/36</i>	UNIDO			\$35,000	\$3,150	\$38,150
HFC PHASE-DOWN						
Servicing						
Preparation of a Kigali HFC implementation plan (stage I)	UNIDO			\$35,000	\$2,450	\$37,450
Preparation of a Kigali HFC implementation plan (stage I)	UNEP			\$65,000	\$8,450	\$73,450
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$40,000	\$5,200	\$45,200
Total for Saint Kitts and Nevis				\$243,900	\$28,207	\$272,107
SAINT LUCIA						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15</i>	UNEP			\$30,000	\$3,900	\$33,900
Total for Saint Lucia				\$30,000	\$3,900	\$33,900

List of projects and activities approved for funding

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Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
SAINT VINCENT AND THE GRENADINES						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IX: 7/2026-6/2029)	UNEP			\$180,000	\$0	\$180,000
Condition in para. 6, document UNEP/OzL.Pro/ExCom/98/15						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Saint Vincent and the Grenadines				\$210,000	\$2,100	\$212,100
SAMOA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase XIII: 1/2027-12/2029)	UNEP			\$180,000	\$0	\$180,000
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Samoa				\$210,000	\$3,900	\$213,900
SENEGAL						
ENERGY EFFICIENCY						
Servicing						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNDP			\$30,000	\$2,100	\$32,100
Total for Senegal				\$30,000	\$2,100	\$32,100
SEYCHELLES						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						

List of projects and activities approved for funding

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Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Total for Seychelles				\$30,000	\$3,900	\$33,900
SIERRA LEONE						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Sierra Leone				\$30,000	\$3,900	\$33,900
SOLOMON ISLANDS						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Solomon Islands				\$30,000	\$3,900	\$33,900
SOUTH SUDAN						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, first tranche)	UNDP	0.3		\$66,500	\$5,985	\$72,485
Conditions in decision 98/37						
HCFC phase-out management plan (stage II, first tranche)	UNEP	0.3		\$80,350	\$10,446	\$90,796
Conditions in decision 98/37						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$12,000	\$1,560	\$13,560
Total for South Sudan		0.6		\$158,850	\$17,991	\$176,841
SUDAN						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening (phase XI: 7/2026-6/2029)	UNEP			\$386,471	\$0	\$386,471
Total for Sudan				\$386,471		\$386,471

List of projects and activities approved for funding

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Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
SURINAME						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$100,000	\$13,000	\$113,000
Condition in para. 16, document UNEP/OzL.Pro/ExCom/98/48						
Total for Suriname				\$100,000	\$13,000	\$113,000
THAILAND						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, first tranche) (servicing)	IBRD	123.9		\$5,311,230	\$371,786	\$5,683,016
Conditions in decision 98/38						
HCFC phase-out management plan (stage III, first tranche) (PMU)	IBRD			\$263,750	\$18,463	\$282,213
Conditions in decision 98/38						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche) (PMU)	IBRD			\$347,723	\$24,340	\$372,063
Conditions in decision 98/51						
Kigali HFC implementation plan (stage I, first tranche)	IBRD		3,251	\$2,068,300	\$144,781	\$2,213,081
Conditions in decision 98/51						
Air conditioning						
Kigali HFC implementation plan (stage I, first tranche) (manufacturing sector)	IBRD		98	\$705,466	\$49,383	\$754,849
Conditions in decision 98/51						
ENERGY EFFICIENCY						
Servicing						
Technical assistance for the energy-efficiency revolving-fund end-user project (decision 95/87)	IBRD			\$500,000	\$35,000	\$535,000
Conditions in decision 98/54						

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UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq (’000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
Air conditioning						
Pilot project to enhance energy efficiency in the context of HFC phase-down in residential and commercial air-conditioning equipment (decision 94/60)	IBRD			\$3,878,647	\$271,505	\$4,150,152
Conditions in decision 98/57						
End-user						
Energy-efficiency revolving-fund end-user project (decision 95/87)	IBRD			\$20,000,000	\$1,400,000	\$21,400,000
Conditions in decision 98/54						
Total for Thailand		123.9	3,349	\$33,075,116	\$2,315,258	\$35,390,374
TOGO						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
ENERGY EFFICIENCY						
Servicing						
HCFC phase-out management plan (stage II): Additional activities for maintaining energy efficiency in the refrigeration servicing sector (decision 89/6)	UNEP			\$120,000	\$14,618	\$134,618
Condition in para. 17, document UNEP/OzL.Pro/ExCom/98/50						
Total for Togo				\$150,000	\$18,518	\$168,518
TONGA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase XI: 1/2027-12/2029)	UNEP			\$180,000	\$0	\$180,000
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Tonga				\$210,000	\$3,900	\$213,900

List of projects and activities approved for funding

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Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
TUNISIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, first tranche)	UNEP	0.8		\$72,000	\$9,360	\$81,360
Conditions in decision 98/39						
HCFC phase-out management plan (stage III, first tranche)	Italy	4.0		\$350,000	\$45,500	\$395,500
Conditions in decision 98/39						
HCFC phase-out management plan (stage III, first tranche)	UNIDO	1.8		\$155,294	\$10,870	\$166,164
Conditions in decision 98/39						
HCFC phase-out management plan (stage III, first tranche) (PMU)	UNIDO			\$46,184	\$3,233	\$49,417
Conditions in decision 98/39						
Total for Tunisia		6.6		\$623,478	\$68,963	\$692,441
TURKMENISTAN						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage III, first tranche)	UNIDO			\$143,650	\$10,056	\$153,706
Conditions in decision 98/40						
Total for Turkmenistan				\$143,650	\$10,056	\$153,706
TUVALU						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase X: 1/2027-12/2029)				\$180,000	\$0	\$180,000
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Tuvalu				\$210,000	\$3,900	\$213,900

List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
UGANDA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche)	UNEP		1	\$47,000	\$6,110	\$53,110
Conditions in decision 98/52						
Kigali HFC implementation plan (stage I, first tranche)	UNIDO		1	\$40,000	\$5,200	\$45,200
Conditions in decision 98/52						
Total for Uganda			2	\$117,000	\$15,210	\$132,210
URUGUAY						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNDP			\$30,000	\$2,700	\$32,700
Condition in para. 14, document UNEP/OzL.Pro/ExCom/98/14						
Total for Uruguay				\$30,000	\$2,700	\$32,700
VANUATU						
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						
Total for Vanuatu				\$30,000	\$3,900	\$33,900
ZAMBIA						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification on the implementation of stage II of the HCFC phase-out management plan	UNEP			\$30,000	\$3,900	\$33,900
Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Project Title	Agency	ODP (tonnes)	CO2-eq ('000 tonnes)	Funds approved (US\$)		
				Project	Support	Total
HFC PHASE-DOWN						
Servicing						
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/53</i>	UNIDO		19	\$90,000	\$11,700	\$101,700
Kigali HFC implementation plan (stage I, first tranche) <i>Conditions in decision 98/53</i>	UNEP		22	\$103,375	\$13,439	\$116,814
Total for Zambia			42	\$223,375	\$29,039	\$252,414
ZIMBABWE						
SEVERAL						
Ozone unit support						
Renewal of the institutional strengthening project (phase XIII: 7/2026-6/2029)	UNEP			\$392,782	\$0	\$392,782
HFC PHASE-DOWN						
Servicing						
Verification on the implementation of stage I of the Kigali HFC implementation plan <i>Condition in para. 19, document UNEP/OzL.Pro/ExCom/98/15</i>	UNEP			\$30,000	\$3,900	\$33,900
Total for Zimbabwe				\$422,782	\$3,900	\$426,682
REGION: AFR						
ENERGY EFFICIENCY						
Commercial						
Preparation of a project to enhance energy efficiency in the commercial refrigeration sector (decision 91/65)	UNIDO			\$60,000	\$4,200	\$64,200
Total for Region: AFR				\$60,000	\$4,200	\$64,200
GLOBAL						
ENERGY EFFICIENCY						
Servicing						
Global technical assistance for the energy-efficiency revolving-fund end-user project (decision 95/87) <i>Conditions in decision 98/54</i>	UNDP			\$160,000	\$11,200	\$171,200
Total for Global				\$160,000	\$11,200	\$171,200
GRAND TOTAL		338.0	13,349	\$103,904,008	\$7,417,766	\$111,321,774

Summary

UNEP/OzL.Pro/ExCom/98/64
Annex XL

Sector	HCFC (ODP tonnes)	HFC (CO2-eq '000 tonnes)	Funds approved (US\$)		
			Project	Support	Total
BILATERAL COOPERATION					
Phase-out plan	16.7	520	\$1,314,000	\$163,233	\$1,477,233
HFC phase-down			\$1,420,607	\$167,567	\$1,588,174
TOTAL:			\$2,734,607	\$330,800	\$3,065,407
INVESTMENT PROJECT					
Phase-out plan	321.2	12,829	\$20,762,773	\$1,550,744	\$22,313,517
HFC phase-down			\$20,787,196	\$1,529,817	\$22,317,013
Energy efficiency			\$50,944,986	\$3,599,332	\$54,544,318
TOTAL:			\$92,494,955	\$6,679,892	\$99,174,847
WORK PROGRAMME AMENDMENT					
Phase-out plan			\$525,000	\$61,050	\$586,050
Several			\$5,873,446	\$133,304	\$6,006,749
HFC phase-down			\$1,715,000	\$173,450	\$1,888,450
Energy efficiency			\$561,000	\$39,270	\$600,270
TOTAL:			\$8,674,446	\$407,074	\$9,081,519
Summary by Parties and Implementing Agencies					
Australia	5.6		\$415,000	\$48,113	\$463,113
Germany			\$120,000	\$15,600	\$135,600
Italy	4.0	88	\$600,000	\$78,000	\$678,000
UK	7.1	433	\$1,599,607	\$189,087	\$1,788,694
IBRD	123.9	3,349	\$33,075,116	\$2,315,258	\$35,390,374
UNDP	169.7	2,692	\$48,591,183	\$3,411,887	\$52,003,070
UNEP	12.9	389	\$7,903,514	\$505,624	\$8,409,138
UNIDO	14.8	6,399	\$11,599,588	\$854,197	\$12,453,785
GRAND TOTAL (HCFCs and HFCs)	338.0	13,349	\$103,904,008	\$7,417,766	\$111,321,774

Balances on projects returned at the 98th meeting

Agency	Project costs (US\$)	Support costs (US\$)	Total (US\$)
UNDP (decision 98/2(a)(ii))	105,125	7,918	113,043
UNEP (decision 98/2(a)(ii))	594,160	42,303	636,463
UNIDO (decision 98/2(a)(ii))	620,860	46,786	667,646
Total	1,320,145	97,007	1,417,152

Net allocations based on decisions of the 98th meeting

Agency	Project costs (US\$)	Support costs (US\$)	Total (US\$)
Australia	415,000	48,113	463,113
Germany	120,000	15,600	135,600
Italy	600,000	78,000	678,000
UK	1,599,607	189,087	1,788,694
UNDP	51,606,467	3,622,398	55,228,865
UNEP	7,309,354	463,321	7,772,675
UNIDO	10,978,728	807,411	11,786,139
World Bank	29,954,707	2,096,829	32,051,536
Total	102,583,863	7,320,759	109,904,622

Annex XLI

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ANGOLA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Angola (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP 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 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Angola and the Executive Committee at the 97th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	15.95

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	5.18	5.18	5.18	5.18	5.18	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	5.18	5.18	5.18	5.18	5.18	0.00	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	258,689	120,000	0	179,489	0	81,822	640,000
2.2	Support costs for Lead IA (US \$)	18,108	8,400	0	12,564	0	5,728	44,800
3.1	Total agreed funding (US \$)	258,689	120,000	0	179,489	0	81,822	640,000
3.2	Total support costs (US \$)	18,108	8,400	0	12,564	0	5,728	44,800
3.3	Total agreed costs (US \$)	276,797	128,400	0	192,053	0	87,550	684,800
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							5.18
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)							10.77
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							0.00

* Date of completion of stage II as per stage II Agreement: 31 December 2026

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall supervision will be provided by the Ministry of Environment, through the national ozone unit (NOU), with assistance from the Lead IA.
2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments.
3. The NOU will compile and report the following data and information each year on or before the deadlines:
 - (a) Annual reports on the consumption of the substances to be submitted to the Ozone Secretariat; and
 - (b) Annual reports on the progress in implementing the Plan to be submitted to the Executive Committee of the Multilateral Fund.
4. The Lead IA will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) 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 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 the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLII

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ANTIGUA AND BARBUDA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Antigua and Barbuda (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Antigua and Barbuda and the Executive Committee at the 96th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.30

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.098	0.098	0.098	0.098	0.098	0.000	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.098	0.088	0.088	0.071	0.071	0.000	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	133,750	100,000	45,385	0	0	38,180	317,315
2.2	Support costs for Lead IA (US \$)	17,388	13,000	5,900	0	0	4,963	41,251
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	19,000	0	45,560	0	0	0	64,560
2.4	Support costs for Cooperating IA (US \$)	1,710	0	4,100	0	0	0	5,810
3.1	Total agreed funding (US \$)	152,750	100,000	90,945	0	0	38,180	381,875
3.2	Total support costs (US \$)	19,098	13,000	10,000	0	0	4,963	47,061
3.3	Total agreed costs (US \$)	171,848	113,000	100,945	0	0	43,143	428,936
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							0.098
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)							0.202**
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							0.00

* Stage I was cancelled as per decision 82/14

** Including 0.03 ODP tonnes in stage I and an additional 0.172 ODP tonnes phased out by the country

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Responsibility for implementing the Plan lies with the Ministry of Foreign Affairs, Trade and Barbuda Affairs, within which the national ozone unit (NOU) is located. The Permanent Secretary of the Ministry is its Chief Accounting Officer and shall have overall responsibility for the project. Day to day project execution will be the responsibility of the National Ozone Officer who will be assisted by a National Ozone Assistant to be hired for this purpose. The design of project activities will be undertaken in consultation with stakeholders.

2. Implementation will involve the Lead IA throughout the project life. This will include receiving guidance from the Lead IA, submission of periodic progress, including financial reports and coordination of tranche requests in accordance with this Agreement. The NOU and the Lead IA will coordinate with the Cooperating IA to deliver its component(s) of the project. These agencies will utilize the established procedures governing procurement, financial management, reporting and monitoring of the relevant implementing agency and international funding facilities, specifically the Multilateral Fund. Implementation 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 preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met, and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;

- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLIII

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BOSNIA AND HERZEGOVINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Bosnia and Herzegovina (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2026 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (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; and
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. 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 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 co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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 sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Bosnia and Herzegovina and the Executive Committee at the 87th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	3.2
HCFC-141b	C	I	1.5
Sub-total			4.7
HCFC-141b contained in imported pre-blended polyols	C	I	3.47
Total			8.17

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022	2023	2024	2025	2026	2027	2028	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.06	3.06	3.06	3.06	1.53	1.53	1.53	1.53	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.18	1.18	0.94	0.94	0.47	0	0	0	n/a

Row	Particulars	2021	2022	2023	2024	2025	2026	2027	2028	Total
2.1	Lead IA (UNIDO) agreed funding (US \$)	126,140	0	297,794	0	0	150,000	0	0	573,934
2.2	Support costs for Lead IA (US \$)	8,830	0	20,846	0	0	10,500	0	0	40,176
3.1	Total agreed funding (US \$)	126,140	0	297,794	0	0	150,000	0	0	573,934
3.2	Total support costs (US \$)	8,830	0	20,846	0	0	10,500	0	0	40,176
3.3	Total agreed costs (US \$)	134,970	0	318,640	0	0	160,500	0	0	614,110
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									1.59
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									1.61
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									0
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									0
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)									1.50
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)									0
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)									3.47
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)									0

* Date of completion of stage I as per stage I Agreement: 31 December 2022

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as

specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (NOU), located within the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, is responsible for the co-ordination of the Country's overall actions and activities related to the protection of the ozone layer, overall supervision of the implementation of the Montreal Protocol, and facilitation of the HPMP implementation. Implementation of the planned project activities in the Plan will be co-ordinated by the NOU in cooperation with the Lead IA.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) 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 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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLIV

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BURUNDI AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Burundi (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3.
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 II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Burundi and the Executive Committee at the 95th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.10

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	4.65	2.32	2.32	2.32	2.32	2.32	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.70	0.68	0.68	0.68	0.68	0.68	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	114,000	0	100,000	130,000	0	0	34,000	378,000
2.2	Support costs for Lead IA (US \$)	14,820	0	13,000	16,900	0	0	4,420	49,140
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	101,600	0	0	25,000	0	0	13,400	140,000
2.4	Support costs for Cooperating IA (US \$)	9,144	0	0	2,250	0	0	1,206	12,600
3.1	Total agreed funding (US \$)	215,600	0	100,000	155,000	0	0	47,400	518,000
3.2	Total support costs (US \$)	23,964	0	13,000	19,150	0	0	5,626	61,740
3.3	Total agreed costs (US \$)	239,564	0	113,000	174,150	0	0	53,026	579,740
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								1.37
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								0.73

Row	Particulars	2024	2025	2026	2027	2028	2029	2030	Total
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0

* Date of completion of stage I as per decision 93/36 and annex XIV to document UNEP/OzL.Pro/ExCom/93/105: 31 December 2024

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall monitoring will be provided by the Government, through the National Ozone Unit (NOU), with the assistance of the Lead IA. The NOU will provide annual progress reports on the status of the Plan implementation to the Lead IA.

2. Consumption will be monitored and determined on the basis of official import and export data for substances as registered by the relevant Government departments. The NOU will compile and report the following data and information annually within the relevant timeframes:

- (a) Reports on consumption of substances to be submitted to the Ozone Secretariat in accordance with Article 7 of the Montreal Protocol; and
- (b) Country programme data reports to be submitted to the Multilateral Fund Secretariat.

3. Monitoring the development of the Plan and verifying the achievement of performance targets will be entrusted to an independent local contractor or one or more independent local consultants by the Lead IA. The company or consultant(s) responsible for the verification will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;

- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLV

**UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF CABO VERDE
AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS
IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

Purpose

1. This Agreement represents the understanding of the Government of Cabo Verde (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities

initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (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; and
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) 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 co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA 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 sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Cabo Verde and the Executive Committee at the 88th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.25

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022-2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.72	0.72	0.36	0.36	0.36	0.36	0.36	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.04	0.04	0.02	0.02	0.02	0.02	0.02	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	173,000	0	0	231,000	0	79,000	0	44,500	527,500

Row	Particulars	2021	2022-2024	2025	2026	2027	2028	2029	2030	Total
2.2	Support costs for Lead IA (US \$)	22,490	0	0	29,672	0	10,147	0	5,716	68,025
3.1	Total agreed funding (US \$)	173,000	0	0	231,000	0	79,000	0	44,500	527,500
3.2	Total support costs (US \$)	22,490	0	0	29,672	0	10,147	0	5,716	68,025
3.3	Total agreed costs (US \$)	195,490	0	0	260,672	0	89,147	0	50,216	595,525
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									0.16
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									0.09
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									0.00

* Date of completion of stage I as per stage I Agreement: 31 December 2021.

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by

calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;

- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The National Ozone Unit will submit annual progress reports of the status of implementation to the Lead IA. The verification of the achievement of the performance targets as per Executive Committee requirements will be assigned to an independent company or independent consultants selected by the Lead IA.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;

- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) 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 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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLVI

**REVISED UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF GUYANA AND THE EXECUTIVE COMMITTEE OF THE
MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF
HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE
HCFC PHASE-OUT MANAGEMENT PLAN**

Purpose

1. This Agreement represents the understanding of the Government of the Republic of Guyana (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.05 ODP tonnes by 1 January 2025 and zero ODP tonnes by 2030 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted Tranche Implementation Reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated

with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

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 Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
 - (iv) Provision of funding for programmes or activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds 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 the activities in the refrigeration servicing sub-sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the relevant bilateral and/or implementing agencies will take into consideration decision 72/41 during the implementation of the Plan.

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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to

be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA will reach consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement in order to facilitate a coordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment 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 decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This updated Agreement supersedes the Agreement reached between the Government of the Republic of Guyana and the Executive Committee at the 93rd meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.80

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2015	2016-2017	2017	2018	2019	2020	2021	2022	2023		2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.62	1.62	1.62	1.62	1.62	1.17	1.17	1.17	1.17		1.17	0.59	0.59	0.59	0.59	0.59	0.05	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.62	1.52	1.42	1.32	1.22	1.12	0.91	0.69	0.48		0.26	0.05	0.05	0.05	0.05	0.05	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	55,500	0	0	0	65,500	0	0	0	45,500	0	0	0	45,500	0	30,500	0	0	242,500
2.2	Support costs for Lead IA (US \$)	7,215	0	0	0	8,515	0	0	0	5,915	0	0	0	5,915	0	3,965	0	0	31,525
2.3	Cooperating IA (UNDP) agreed funding (US \$)	159,750	0	0	0	66,750	0	0	0	125,000	100,000	0	0	35,000	0	55,000	0	0	541,500
2.4	Support costs for Cooperating IA (US \$)	11,183	0	0	0	4,673	0	0	0	8,750	7,000	0	0	2,450	0	3,850	0	0	37,906
3.1	Total agreed funding (US \$)	215,250	0	0	0	132,250	0	0	0	170,500	100,000	0	0	80,500	0	85,500	0	0	784,000
3.2	Total support costs (US \$)	18,398	0	0	0	13,188	0	0	0	14,665	7,000	0	0	8,365	0	7,815	0	0	69,431
3.3	Total agreed costs (US \$)	233,648	0	0	0	145,438	0	0	0	185,165	107,000	0	0	88,865	0	93,315	0	0	853,431
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)																		1.62
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)																		0.18
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)																		0

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) An independent verification report of the Plan results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the Tranche Implementation Plan and any changes to the overall plan, and will cover the same time periods and activities; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year more than one stage of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Implementation Report and Plans:
- (a) The Implementation Report and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets in a particular year, the lower HCFC consumption target will be used as reference for compliance with the HPMP Agreements and for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Action Unit (NOAU), operating under the direction of the Hydrometeorological Service of the Ministry of Agriculture will continue to act during stage II as the focal point for HPMP project co-ordination and management. This activity will be directly undertaken by experienced project managers acting under the direction of the Head of the Hydrometeorological Service who also acts as the national focal point on the Montreal Protocol. The work will be undertaken with a high level of stakeholder consultation with various Government agencies, external stakeholders and the general public.
2. Implementation will be undertaken under the continued supervision of the Ministry of Agriculture and Hydrometeorological Service. It will involve the Lead IA supervising the project's investment component throughout the HPMP. The Cooperating IA will act as a supporting implementing agency for investment activities associated with provision of equipment and establishment of training centers. These agencies will utilize the established procedures governing procurement, financial management, reporting and monitoring of the relevant implementing agency and international funding facilities, specifically the Multilateral Fund. Implementation 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 HPMP;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (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 and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCY

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors related to the

non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLVII

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SURINAME AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Suriname (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Suriname and the Executive Committee at the 93rd meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.94
HCFC-142b	C	I	0.04
Total			1.98

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2023	2024	2025	2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.29	1.29	0.64	0.64	0.64	0.64	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.29	1.29	0.64	0.64	0.64	0.64	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	166,100	0	0	100,000	158,400	0	36,400	460,900
2.2	Support costs for Lead IA (US \$)	21,593	0	0	13,000	20,592	0	4,732	59,917
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	61,000	0	0	0	99,600	0	18,500	179,100
2.4	Support costs for Cooperating IA (US \$)	5,490	0	0	0	8,964	0	1,665	16,119
3.1	Total agreed funding (US \$)	227,100	0	0	100,000	258,000	0	54,900	640,000
3.2	Total support costs (US \$)	27,083	0	0	13,000	29,556	0	6,397	76,036
3.3	Total agreed costs (US \$)	254,183	0	0	113,000	287,556	0	61,297	716,036
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								1.29
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								0.69
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0.00
4.2.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.2.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)								0.04
4.2.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)								0.00

*Date of completion of stage I as per decision 92/32(b): 30 June 2024

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
 - (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (b) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. UNEP, as the Lead IA, will be responsible for ensuring coordinated planning, implementation and reporting of all activities under the Plan, including, but not limited to, independent verification of the results achieved. The role will include funds management, the production of tranche implementation reports, requests for funding and supervision of project activities.
2. UNIDO, as the Cooperating IA, will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA.
3. The national ozone unit will have overall responsibility for project execution and will establish a monitoring, evaluation and reporting mechanism to support its efforts. Thus, the mechanism will monitor project execution, identify delays and recommend remedial actions and generate progress and final tranche reports for submission to the lead IA.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with policy, management and technical support when required; and
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLVIII

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF TOGO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Togo (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (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; and
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under

the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the

Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

17. This updated Agreement supersedes the Agreement reached between the Government of Togo and the Executive Committee at the 91st meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	20.00

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2022	2023-2024	2025	2026		2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	13.00	13.00	6.50	6.50		6.50	6.50	6.50	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	13.00	13.00	6.50	6.50		6.50	6.50	6.50	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	125,000	0	0	120,000	210,000	0	180,000	0	185,000	820,000
2.2	Support costs for Lead IA (US \$)	15,536	0	0	14,618	25,582	0	21,927	0	22,537	100,200
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	200,000	0	0	0	0	0	270,000	0	0	470,000
2.4	Support costs for Cooperating IA (US \$)	14,000	0	0	0	0	0	18,900	0	0	32,900
3.1	Total agreed funding (US \$)	325,000	0	0	120,000	210,000	0	450,000	0	185,000	1,290,000
3.2	Total support costs (US \$)	29,536	0	0	14,618	25,582	0	40,827	0	22,537	133,100
3.3	Total agreed costs (US \$)	354,536	0	0	134,618	235,582	0	490,827	0	207,537	1,423,100
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										13.00
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)										7.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0

*Date of completion of stage I as per stage I Agreement: 31 December 2023 as per decision 87/28(a)

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The

report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall monitoring will be provided by the Government, through the National Ozone Unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.

2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:

- (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
- (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. Monitoring of development of the Plan and verification of the achievement of the performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;

- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex XLIX

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 98TH MEETING

Cambodia

1. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Cambodia (phase XIII) and noted with appreciation that the Government had submitted its 2025 country programme and Article 7 data, indicating continued compliance with the Montreal Protocol, including the HFC freeze under the Kigali Amendment. The Committee noted the continued enforcement of the HCFC and HFC licensing and quota system under the Sub-decree on ODS Management 2021, including the full linkage of the online licensing and quota system with the National Single Window System and the management of HFC quotas in CO₂-equivalent tonnes. The Committee also acknowledged progress in implementing the HCFC phase-out management plan, stage I of the Kigali HFC implementation plan, the energy-efficiency project and the national inventory of ODS banks. The Committee acknowledged the efforts of the Government of Cambodia and is therefore hopeful that, within the next three years, the Government of Cambodia will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Chile

2. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Chile (phase XVI) and noted with appreciation that Chile continued to meet its obligations under the Montreal Protocol, including the submission of Article 7 and country programme data and the implementation of HCFC and HFC import controls through the licensing system. The Committee further noted the strengthening of the national regulatory framework, the steps taken to implement the HFC quota system, and the integration of the national ozone unit into the Ministry of the Environment's climate governance structure. The Committee acknowledged the efforts of the Government of Chile in strengthening customs controls, including action on illegal trade, and advancing activities under the Kigali Amendment. The Committee is therefore hopeful that, during the next three years, Chile will continue implementing stage III of the HCFC phase-out management plan and stage I of the Kigali HFC implementation plan, and further strengthen the HFC quota system, in order to maintain compliance with the Montreal Protocol and achieve its reduction targets.

Ecuador

3. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Ecuador (phase IX) and noted with appreciation that Ecuador had continued to meet its reporting obligations under the Montreal Protocol, including the timely submission of Article 7 and country programme data, and that Ecuador remained in compliance with the control measures of the Montreal Protocol and its Kigali Amendment. The Committee noted progress in strengthening the regulatory and institutional framework, including the modernization of the electronic licensing and quota system for HCFCs, HFCs and pre-blended polyols, and the issuance of updated regulatory instruments to support implementation of the Kigali Amendment. It also acknowledged strengthened coordination with customs authorities and improved monitoring and verification of imports of controlled substances. The Committee noted remaining challenges related to controls on refrigeration and air-conditioning equipment, the need to further formalize inter-institutional coordination mechanisms, and the importance of strengthening institutional memory in the context of potential staff turnover. The Committee acknowledged the efforts of the Government of Ecuador and is therefore hopeful that, during the next three years, Ecuador

will continue implementing its institutional strengthening project with success, including by expanding outreach beyond the RAC sector, strengthening circular economy and life-cycle management approaches, and integrating energy-efficiency considerations into its activities, in order to maintain compliance with the Montreal Protocol.

Eritrea

4. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Eritrea (phase VII) and noted with appreciation that Eritrea submitted Article 7 data for 2025, indicating that the country is in compliance with the Montreal Protocol. The Committee acknowledged that Eritrea has an operational licensing and quota system for HCFCs and HFCs. The Committee also acknowledged Eritrea's efforts to reduce HCFC consumption, prepare and secure approval of stage I of the Kigali HFC implementation plan, and strengthen monitoring of controlled substances, and is therefore hopeful that, within the next three years, the Government of Eritrea will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Eswatini

5. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Eswatini (phase IX) and noted with appreciation that Eswatini is in compliance with the Montreal Protocol. The Committee welcomed the timely submission of 2025 country programme data and the establishment of a dedicated data team to support the continued submission of such data. The Committee also noted the gazetting of the ODS and HFC Regulations (2025) and implementation of the licensing and quota system. The Committee commended the Government of Eswatini for its efforts to reduce HCFC consumption and encouraged it to continue implementing stage II of the HCFC phase-out management plan and stage I of the Kigali HFC implementation plan. The Committee acknowledged the efforts of the Government of Eswatini and is therefore hopeful that, within the next three years, the Government of Eswatini will continue the implementation of activities with success to maintain compliance with the Montreal Protocol and its Kigali Amendment.

Gambia (the)

6. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for the Gambia (phase XIII) and noted with appreciation that the Gambia had reported Article 7 data and country programme data for 2025 to the Ozone and Fund Secretariats, respectively, indicating that the country is in compliance with the Montreal Protocol phase-out schedule. The Committee noted that the Government of the Gambia implemented enforcement measures to control ODS imports through a licensing and quota system and encouraged the finalisation of the revised ODS regulations incorporating HFC control measures. The Committee acknowledged the efforts of the Government of the Gambia to reduce HCFC and HFC consumption and is therefore hopeful that, within the next three years, the Government of the Gambia will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol and its Kigali Amendment.

Grenada

7. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Grenada (phase VIII) and noted with appreciation that Grenada submitted Article 7 and country programme data to the Ozone and Fund Secretariats, respectively, indicating that the country is in compliance with the Montreal Protocol. The Committee noted the

Government's efforts to complete phase VII despite challenges, and the continued implementation of the licensing and quota systems for HCFCs and HFCs, the administrative ban on HCFC-based equipment, and progress on the revised Montreal Protocol Substances Bill to strengthen controls on refrigeration and air-conditioning equipment based on global-warming potential thresholds. The Committee acknowledged the efforts of the Government of Grenada and is therefore hopeful that, within the next three years, the Government of Grenada will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Kenya

8. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Kenya (phase XIV) and noted with appreciation that Kenya submitted Article 7 and country programme data for 2024, indicating that the country is in compliance with the Montreal Protocol. The Committee noted that the revised Environmental Management and Coordination (Controlled Substances) Regulations were gazetted on 28 February 2025, incorporating the HFC licensing and quota system and an import ban on HCFC-based equipment. The Committee acknowledged that Kenya has established an operational licensing and quota system and implemented activities under the HCFC phase-out management plan. The Committee acknowledged the efforts of the Government of Kenya and is therefore hopeful that, within the next three years, the Government will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol

Lebanon

9. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Lebanon (phase XIV) and noted with appreciation the country's continued efforts to sustain compliance with its obligations under the Montreal Protocol, including the enforcement of licensing and quota systems to control HCFC consumption in line with its Agreement with the Executive Committee. The Committee further acknowledged Lebanon's commitment to maintaining progress in ODS phase-out despite significant national challenges, including economic constraints and security-related disruptions, while ensuring the continuity of key activities such as policy enforcement, capacity-building and stakeholder engagement. The Committee also noted the steps taken towards the implementation of the Kigali Amendment, including preparatory activities and coordination mechanisms to support the implementation of the Kigali HFC implementation plan. The Committee commended Lebanon for strengthening institutional coordination and awareness-raising efforts and is therefore hopeful that, during the next three years, Lebanon will continue advancing HFC phase-down, promoting energy efficiency in the cooling sector and sustaining compliance with the Montreal Protocol.

Liberia

10. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Liberia (phase XI) and noted with appreciation that Liberia had reported Article 7 data indicating compliance with the Montreal Protocol. The Committee acknowledged the revision of the Montreal Protocol Controlled Substances Regulations to include Kigali Amendment provisions, the enforcement of HCFC and HFC licensing and quota system including the launch of an online system, and the implementation of activities under the HCFC phase-out management plan and the Kigali HFC implementation plan. The Committee acknowledged the efforts of the Government of Liberia and is therefore hopeful that, within the next three years, the Government of Liberia will continue the implementation of activities with success to maintain compliance with the Montreal Protocol and its Kigali Amendment.

Mongolia

11. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Mongolia (phase XIV) and noted with appreciation that Mongolia submitted Article 7 data for 2024 to the Ozone Secretariat and country programme data for 2025 to the Fund Secretariat, indicating compliance with the Montreal Protocol HCFC phase-out schedule. The Committee noted that, following the approval of stage I of the Kigali HFC implementation plan at the 97th meeting and the conditions set out in decision 97/63, the Government had continued to strengthen HFC control measures, including by setting the 2026 HFC quota within the freeze level and launching the online electronic licensing system. The Committee also noted the continued enforcement of the licensing and quota system. The Committee acknowledged the efforts of the Government of Mongolia and is therefore hopeful that, within the next three years, the Government of Mongolia will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol, including its Kigali Amendment.

Montenegro

12. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Montenegro (phase III) and noted with appreciation that Montenegro had reported data under Article 7 of the Montreal Protocol to the Ozone Secretariat and 2025 country programme data to the Fund Secretariat, indicating that the country is in compliance with the Montreal Protocol. The Committee noted that the Government of Montenegro implemented enforcement measures to control ODS imports, including an HCFC import ban effective 1 January 2025, and implemented an HFC licensing and quota system. The Committee further noted the adoption of the Law on Climate Change, which strengthens the regulatory framework for controlling ozone-depleting substances and fluorinated greenhouse gases, and acknowledged that the Government provided comprehensive training to customs officers and refrigeration technicians. The Committee acknowledged the efforts of the Government of Montenegro and is therefore hopeful that, within the next three years, the Government of Montenegro will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol and its Kigali Amendment.

Niue

13. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Niue (phase X) and noted with appreciation that Niue submitted Article 7 data for 2024 to the Ozone Secretariat and country programme data for 2024 and 2025 to the Fund Secretariat, indicating that the country is in compliance with the Montreal Protocol. The Committee acknowledged that the Government of Niue has maintained zero HCFC consumption since 2011 and implemented mandatory controls on HFCs through its national licensing and quota system. The Committee also noted that Niue has commenced implementation of stage I of the Kigali HFC implementation plan and stage II of the HCFC phase-out management plan and acknowledged with appreciation that the Government requested less than the minimum level of funding for phase X of the institutional strengthening project. The Committee acknowledged the efforts of the Government of Niue and is therefore hopeful that, within the next three years, the Government of Niue will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

North Macedonia

14. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for North Macedonia (phase IX) and noted with appreciation that North

Macedonia had reported 2024 Article 7 data and 2025 country programme data to the Ozone and Fund Secretariats, respectively, indicating that the country was in compliance with its obligations under the Montreal Protocol. The Committee further noted the efforts of North Macedonia to sustain the phase-out of HCFC consumption and initiate the phase-down of HFCs, including through the adoption, in 2024, of the Ordinance for Restricting the Import of HFCs and the implementation of an electronic licensing and quota system. The Committee also noted the development of regulatory measures, including draft rulebooks on reporting, leak detection systems and the management of controlled substances, as well as strengthened cooperation with customs and environmental inspection authorities. The Committee further noted North Macedonia's continued efforts to ensure accurate and timely data reporting through its monitoring and verification system, stakeholder coordination, including engagement with the refrigeration and air-conditioning sector and inter-institutional cooperation through the National Committee for Chemicals and Waste Management. The Committee acknowledged the efforts of the Government of North Macedonia and is therefore hopeful that, within the next three years, the Government of North Macedonia will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol and its Kigali Amendment.

Palau

15. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Palau (phase XI) and noted with appreciation that Palau submitted Article 7 and country programme data for 2025 to the Ozone and Fund Secretariats, respectively, indicating that the country is in compliance with the Montreal Protocol. The Committee acknowledged the Government's efforts in maintaining HCFC consumption well below the maximum allowable consumption, enforcing the ban on HCFC-based equipment, and implementing the HFC licensing and quota system, and noted the finalization of a draft regulation to introduce mandatory controls on HFC-based equipment. The Committee acknowledged the efforts of the Government of Palau and is therefore hopeful that, within the next three years, the Government of Palau will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Republic of Moldova

16. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for the Republic of Moldova (phase XIII) and noted with appreciation that the Government of the Republic of Moldova had reported Article 7 and country programme data for 2024 to the Ozone and Fund Secretariats, respectively, indicating that the country is in compliance with the Montreal Protocol. The Executive Committee acknowledged that the Government had strengthened its legislative framework to control HCFCs and HFCs, including through the ratification of the Kigali Amendment, the establishment of an HFC quota system, and the introduction of restrictions on certain products and equipment relying on high-GWP HFCs. The Committee also noted the continued implementation of stage III of the HCFC phase-out management plan, the planned implementation of stage I of the Kigali HFC implementation plan, and the pilot project to maintain and enhance the energy efficiency of replacement technologies and equipment in the context of the HFC phase-down. The Committee acknowledged the efforts of the Government of the Republic of Moldova and is therefore hopeful that, in the next three years, the Government of the Republic of Moldova will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Rwanda

17. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Rwanda (phase XI) and noted with appreciation that Rwanda

submitted Article 7 data for 2024 and country programme data for 2025, indicating that the country is in compliance with the Montreal Protocol. The Committee acknowledged that Rwanda continued to implement the HCFC and HFC licensing and quota system, supported by the upgraded electronic registry and activities under the HCFC phase-out implementation plan and Kigali HFC implementation plan. The Committee acknowledged the efforts of the Government of Rwanda and is therefore hopeful that, within the next three years, the Government of Rwanda will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Saint Vincent and the Grenadines

18. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Saint Vincent and the Grenadines (phase IX) and noted with appreciation that Saint Vincent and the Grenadines submitted Article 7 and country programme data for 2025 to the Ozone and Fund Secretariats, respectively, indicating that the country maintained zero HCFC consumption and reported consumption within its HFC consumption limit in 2025. The Committee noted that, following the exceedance of the country's HFC consumption limit in 2024, as reflected in Decision XXXVII/14 of the Thirty-Seventh Meeting of the Parties, the Government, with the support of UNEP, had taken measures to strengthen the HFC licensing and quota system and prepare the project proposal for stage I of the Kigali HFC implementation plan. The Committee acknowledged the efforts of the Government of Saint Vincent and the Grenadines and is therefore hopeful that, within the next three years, the Government of Saint Vincent and the Grenadines will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Samoa

19. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Samoa (phase XIII) and noted with appreciation that Samoa had submitted Article 7 data for 2024 to the Ozone Secretariat and country programme data for 2025 to the Fund Secretariat, indicating that the country is in compliance with the Montreal Protocol. The Committee acknowledged that Samoa continued to implement the HCFC and HFC licensing and quota systems and coordinated with relevant stakeholders on stage II of the HCFC phase-out management plan, stage I of the Kigali HFC implementation plan and other Multilateral Fund-supported activities. The Committee also noted Samoa's efforts to strengthen data reporting, advance the Refrigerant Management Regulations and the Pacific Harmonized Commodity Description and Coding System 2022. The Committee acknowledged the efforts of the Government of Samoa and is therefore hopeful that, within the next three years, the Government of Samoa will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Sudan

20. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Sudan (phase XI) and noted with appreciation the submission of Article 7 and country programme data for 2022, 2023 and 2024 to the Ozone and Fund Secretariats, respectively, as well as the timely submission of 2025 country programme data, indicating that Sudan is in compliance with the Montreal Protocol HCFC phase-out schedule. The Committee acknowledged Sudan's continued efforts, despite the challenging national circumstances, to enforce the licensing and quota system and continue implementing activities under the HCFC phase-out management plan, and noted the progress made towards ratification of the Kigali Amendment. The Committee acknowledged the efforts of the Government of Sudan and is therefore hopeful that, within the next three years, the Government of Sudan will ratify the Kigali Amendment and will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Tonga

21. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Tonga (phase XI) and noted with appreciation that Tonga submitted Article 7 data for 2024 to the Ozone Secretariat and country programme data for 2024 and 2025 to the Fund Secretariat, indicating that the country continues to comply with the Montreal Protocol and its Kigali Amendment. The Committee acknowledged the Government's efforts to maintain zero HCFC imports, implement mandatory controls on HFCs through the national licensing and quota system and enforce the ban on HCFC-based equipment. The Committee acknowledged the efforts of the Government of Tonga and is therefore hopeful that, within the next three years, the Government of Tonga will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Tuvalu

22. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Tuvalu (phase X) and noted with appreciation that Tuvalu submitted Article 7 and country programme data for 2024 to the Ozone and Fund Secretariats, respectively, and that 2025 country programme data were submitted in advance of the deadline, indicating that the country is in compliance with the Montreal Protocol, including its Kigali Amendment. The Committee acknowledged the Government's efforts in maintaining zero HCFC consumption, implementing the HCFC and HFC licensing and quota system, and gazetting the Ozone Layer Protection and Refrigerant Management Amendment Act in 2023. The Committee acknowledged the efforts of the Government of Tuvalu and is therefore hopeful that, within the next three years, the Government of Tuvalu will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Zimbabwe

23. The Executive Committee reviewed the report submitted with the request for the renewal of the institutional strengthening project for Zimbabwe (phase XIII) and noted with appreciation that Zimbabwe submitted Article 7 and country programme data for 2025 to the Ozone and Fund Secretariats, respectively, in advance of the deadlines, indicating that the country is in compliance with the Montreal Protocol, including the 2024 HFC freeze target under the Kigali Amendment. The Committee acknowledged the Government's efforts in implementing the electronic licensing and quota system integrated into the Zimbabwe Electronic Single Window, strengthening cooperation with the Zimbabwe Revenue Authority, and other activities under the HCFC phase-out management plan and the Kigali HFC implementation plan. The Committee acknowledged the efforts of the Government of Zimbabwe and is therefore hopeful that, within the next three years, the Government of Zimbabwe will continue the implementation of activities with success to maintain compliance with the control measures of the Montreal Protocol.

Annex L

AGREEMENT BETWEEN THE GOVERNMENT OF ALBANIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Albania (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3 and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	5.70
HCFC-124	C	I	0.01
HCFC-142b	C	I	0.29
Total			6.00

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.95	1.95	1.95	1.95	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.95	1.50	1.00	0.50	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	152,530	0	47,900	0	16,570	217,000
2.2	Support costs for Lead IA (US \$)	13,728	0	4,311	0	1,491	19,530
2.3	Cooperating IA (UNEP) agreed funding (US \$)	25,000	0	35,500	0	15,000	75,500
2.4	Support costs for Cooperating IA (US \$)	3,250	0	4,615	0	1,950	9,815
3.1	Total agreed funding (US \$)	177,530	0	83,400	0	31,570	292,500
3.2	Total support costs (US \$)	16,978	0	8,926	0	3,441	29,345
3.3	Total agreed costs (US \$)	194,508	0	92,326	0	35,011	321,845
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						1.95
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stages (ODP tonnes)						3.75
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00
4.2.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-124 to be achieved in the previous stages (ODP tonnes)						0.01
4.2.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)						0.00

Row	Particulars	2026	2027	2028	2029	2030	Total
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-142b to be achieved in the previous stages (ODP tonnes)						0.29
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)						0.00

* Date of completion of stage II as per stage II Agreement: 31 December 2027

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. All the monitoring activities will be coordinated and managed through the national ozone unit (NOU). The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendices 6-A and 6-B of this Agreement will monitor and report on implementation of the activities in accordance with their roles and responsibilities set out in the respective appendix.

2. The NOU is an integral part of the Ministry of Tourism and Environment. The NOU will continue to have general responsibility for the implementation of the activities under the present Agreement.

3. The Lead IA will be responsible for the overall management, monitoring of progress, performance verification and reporting to the Fund Secretariat and the Executive Committee, working in close cooperation with the NOU, the Cooperating IA and the beneficiaries.

4. The NOU shall compile and report on an annual basis by the relevant due dates on consumption of the Substances to the Ozone Secretariat and on progress of implementation of the Plan to the Executive Committee through the Fund Secretariat.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports

and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LI

AGREEMENT BETWEEN THE GOVERNMENT OF BAHRAIN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Bahrain (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) 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 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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 date of completion of the Plan is 31 December 2029. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent

revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	50.84
HCFC-141b	C	I	0.44
Subtotal			51.28
HCFC-141b contained in imported pre-blended polyols			10.11
Total			61.39

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	13.75	13.75	13.75	13.75	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	13.75	13.75	11.75	11.75	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	145,000	0	95,000	0	0	240,000
2.2	Support costs for Lead IA (US \$)	18,850	0	12,350	0	0	31,200
3.1	Total agreed funding (US \$)	145,000	0	95,000	0	0	240,000
3.2	Total support costs (US \$)	18,850	0	12,350	0	0	31,200
3.3	Total agreed costs (US \$)	163,850	0	107,350	0	0	271,200
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						2.75
4.1.2	Phase-out of HCFC-22 to be achieved in previous stages (ODP tonnes)						48.09
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-141b to be achieved in previous stages (ODP tonnes)						0.44
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.00
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previous stages (ODP tonnes)						10.11
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0.00

* Date of completion of stage II as per stage II Agreement: 31 December 2026

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (NOU) is the central administrative unit established within the Supreme Council for Environment (SCE) and is responsible for the coordination of governmental agencies with respect to ozone layer protection and facilitation of ODS phase-out, and for the implementation of activities under the Plan.

2. The NOU will manage the implementation of activities under the Plan in cooperation with the Lead IA. An independent verifier will verify the consumption of HCFCs reported by the Government under Article 7 of the Montreal Protocol and the country programme reporting.

3. The project management unit will monitor the implementation of the activities. The detailed responsibilities include the following:

- (a) Day-to-day implementation of investment projects (where applicable), training programmes, technical assistance and awareness-raising activities included in the approved Plan;
- (b) Providing support to the NOU and independent verifier during the verification process (e.g., meetings with relevant stakeholders, data collection coordination, and inputs on review findings);
- (c) Under the guidance of the NOU, coordinating non-governmental stakeholders or some Government department(s), industrial associations, research institutes, standard bureau, training institutes, and statistics bureau for the implementation of activities under the Plan; and
- (d) Assisting the NOU in data gathering, analysis and reporting, including collecting and analyzing consumption data pertaining to the controlled substances associated with the Plan implementation.

4. The SCE, Customs Affairs, and Centre of Excellence are the primary bodies responsible for the long-term sustainability of the phase-out targets.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) 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 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 the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$174.55 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LII

AGREEMENT BETWEEN THE GOVERNMENT OF MOROCCO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Morocco (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3 and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. 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 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 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	45.88
HCFC-141b	C	I	14.01
Subtotal			59.89
HCFC-141b contained in imported pre-blended polyols			7.90
Total			67.79

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	16.69	16.69	16.69	16.69	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	16.69	12.52	8.35	4.17	0.00	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	165,240	1,128,764	-	-	145,800	1,439,804
2.2	Support costs for Lead IA (US \$)	11,567	79,013	-	-	10,206	100,786
3.1	Total agreed funding (US \$)	165,240	1,128,764	-	-	145,800	1,439,804
3.2	Total support costs (US \$)	11,567	79,013	-	-	10,206	100,786
3.3	Total agreed costs (US \$)	176,807	1,207,777	-	-	156,006	1,540,590
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						16.69
4.1.2	Phase-out of HCFC-22 to be achieved in previous stages (ODP tonnes)						29.19
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-141b to be achieved in previous stages (ODP tonnes)						14.01
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.00

Row	Particulars	2026	2027	2028	2029	2030	Total
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previous stages (ODP tonnes)						7.90
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0.00

* Date of completion of stage II as extended by decision 98/33(b): 31 December 2027.

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (NOU) of the Country 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 HCFC consumption verification undertaken by the Lead IA.
3. The Ministry of Industry and Trade in the Country 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 preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should

be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required; and
- (n) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$173 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LIII

AGREEMENT BETWEEN THE GOVERNMENT OF NIGERIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE IV OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Nigeria (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage IV of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least 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 the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and the Government of the United Kingdom of Great Britain and Northern Ireland has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	248.5
HCFC-141b	C	I	96.4
Subtotal			344.9
HCFC-141b contained in imported pre-blended polyols			53.2
Total			398.2

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	112.09	112.09	112.09	112.09	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	112.09	112.09	112.09	112.09	0.00	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	3,318,477	0	2,917,578		759,654	6,995,709
2.2	Support costs for Lead IA (US \$)	232,293	0	204,230	0	53,176	489,699
2.3	Cooperating IA (United Kingdom of Great Britain and Northern Ireland) agreed funding (US \$)	519,000	0	82,400	0	0	601,400
2.4	Support costs for Cooperating IA (US \$)	65,720	0	10,434	0	0	76,154
3.1	Total agreed funding (US \$)	3,837,477	0	2,999,978	0	759,654	7,597,109
3.2	Total support costs (US \$)	298,013	0	214,664	0	53,176	565,853
3.3	Total agreed costs (US \$)	4,135,490	0	3,214,642	0	812,830	8,162,962
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						97.21
4.1.2	Phase-out of HCFC-22 to be achieved in previous stages (ODP tonnes)						151.31
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00

Row	Particulars	2026	2027	2028	2029	2030	Total
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-141b to be achieved in previous stages (ODP tonnes)						96.40
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.00
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previous stages (ODP tonnes)						53.30
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0.00

* Date of completion of stages II and III as extended by decision 98/34(e): 31 December 2027.

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;

- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall supervision will be provided by the Ministry of Environment, through the National Ozone Office (NOO), with assistance from the Lead IA.
2. Consumption will be monitored and determined from official data of the import and export of substances as registered by the relevant Government departments.
3. The NOO will compile and report the following data and information each year on or before the deadlines:
- (a) Annual reports on the consumption of the substances to be submitted to the Ozone Secretariat; and
 - (b) Annual reports on progress in implementing the Plan to be submitted to the Executive Committee of the Multilateral Fund.
4. The agency responsible for evaluation will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;

- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$156.30 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LIV

AGREEMENT BETWEEN THE GOVERNMENT OF SAINT KITTS AND NEVIS AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Saint Kitts and Nevis (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.50

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.16	0.16	0.16	0.16	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.16	0.16	0.16	0.16	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	108,900	0	111,000	0	13,800	233,700
2.2	Support costs for Lead IA (US \$)	14,157	0	14,430	0	1,794	30,381
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	35,000	0	17,000	0	5,300	57,300
2.4	Support costs for Cooperating IA (US \$)	3,150	0	1,530	00	477	5,157
3.1	Total agreed funding (US \$)	143,900	0	128,000	0	19,100	291,000
3.2	Total support costs (US \$)	17,307	0	15,960	0	2,271	35,538
3.3	Total agreed costs (US \$)	161,207	0	143,960	0	21,371	326,538
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						0.32
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						0.18
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00

*Date of completion of stage I as extended by the Executive Committee at the 93rd meeting: 30 June 2024

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Responsibility for implementing the Plan lies with the Ministry of the Environment, Climate Action and Constituency Empowerment, within which the National Ozone Unit (NOU) is located. The Permanent Secretary of the Ministry, under the guidance of the Director, shall have overall responsibility for the project. Day-to-day project execution will be the responsibility of the National Ozone Officer who will be assisted by a National Ozone Assistant to be hired for this purpose. The design of project activities will be undertaken in consultation with identified stakeholders.

2. Implementation will involve the Lead IA throughout the project life. This will include receiving guidance from the Lead IA, submission of periodic progress, including financial reports, and coordination of tranche requests in accordance with this Agreement. The NOU and the Lead IA will coordinate with the Cooperating IA to deliver the investment component of the project. These agencies will utilize the established procedures governing procurement, financial management, reporting and monitoring of the relevant implementing agency and international funding facilities, specifically the Multilateral Fund. Implementation 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 preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;

- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LV

AGREEMENT BETWEEN THE GOVERNMENT OF SOUTH SUDAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of South Sudan (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.64

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.33	1.33	1.33	1.33	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.53	0.53	0.53	0.53	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	92,350	0	126,500	0	24,500	243,350
2.2	Support costs for Lead IA (US \$)	12,006	0	16,445	0	3,185	31,636
2.3	Cooperating IA (UNDP) agreed funding (US \$)	66,500	0	33,900	0	0	100,400
2.4	Support costs for Cooperating IA (US \$)	5,985	0	3,051	0	0	9,036
3.1	Total agreed funding (US \$)	158,850	0	160,400	0	24,500	343,750
3.2	Total support costs (US \$)	17,991	0	19,496	0	3,185	40,672
3.3	Total agreed costs (US \$)	176,841	0	179,896	0	27,685	384,422
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						1.07
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						0.57
4.1.3	Remaining eligible consumption of HCFC-22 (ODP tonnes)						0.00

* Date of completion of stage I as per revised stage I agreement: 31 December 2026

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall monitoring will be provided by the Government, through the national ozone unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports on the status of implementation of the Plan to the Lead IA.
2. Consumption will be monitored and determined from official data on the import and export of substances as registered by the relevant Government departments. The NOU will compile and report on the following data and information each year on or before the relevant deadlines:
 - (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
 - (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.
3. Monitoring the implementation of the Plan and the verification of the achievement of the performance targets will be assigned to an independent local enterprise or to independent local consultant(s) by the Lead IA. The enterprise or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested.

Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LVI

AGREEMENT BETWEEN THE GOVERNMENT OF THAILAND AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Thailand (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, 4.6.3, and 4.7.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least 10/12 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The World Bank 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 an 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 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	716.57
HCFC-123	C	I	3.20
HCFC-124	C	I	0.08
HCFC-141b	C	I	205.25
HCFC-142b	C	I	0.12
HCFC-225 ca/cb	C	I	2.30
Subtotal			927.52
HCFC-141b contained in imported pre-blended polyols			15.68
Total			943.20

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	2031-2032	2033	2034	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	301.47	301.47	301.47	301.47	0.00	0.00	0.00	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	301.47	301.47	301.47	301.47	0.00	0.00	0.00	0.00	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)	5,574,980	0	6,183,876	0	4,829,180	0	1,832,004	0	18,420,040
2.2	Support costs for Lead IA (US \$)	390,249	0	432,871	0	338,043	0	128,240	0	1,289,403
3.1	Total agreed funding (US \$)	5,574,980	0	6,183,876	0	4,829,180	0	1,832,004	0	18,420,040
3.2	Total support costs (US \$)	390,249	0	432,871	0	338,043	0	128,240	0	1,289,403
3.3	Total agreed costs (US \$)	5,965,229	0	6,616,747	0	5,167,223	0	1,960,244	0	19,709,443

4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)	382.46
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)	334.11
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)	0.00
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)	3.20
4.2.2	Phase-out of HCFC-123 to be achieved in the previous stage (ODP tonnes)	0.00
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)	0.00
4.3.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.3.2	Phase-out of HCFC-124 to be achieved in the previous stage (ODP tonnes)	0.08
4.3.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)	0.00
4.4.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)	22.04
4.4.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)	183.21
4.4.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)	0.00
4.5.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.5.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)	0.12
4.5.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)	0.00
4.6.1	Total phase-out of HCFC-225 ca/cb agreed to be achieved under this Agreement (ODP tonnes)	2.30
4.6.2	Phase-out of HCFC-225 ca/cb to be achieved in the previous stage (ODP tonnes)	0.00
4.6.3	Remaining eligible consumption for HCFC-225 ca/cb (ODP tonnes)	0.00
4.7.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.7.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)	15.68
4.7.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)	0.00

* Date of completion of stage II as per stage II Agreement: 30 June 2025

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche

request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Thailand National Focal Point for the Implementation of the Montreal Protocol (the national ozone unit (NOU)) of the Department of Industrial Works (DIW) within the Ministry of Industry, is responsible for managing and coordinating Thailand's Plan, including all phase-out activities and measures controlling HCFCs. The management and implementation of this Agreement will be undertaken by the project management unit (PMU), which falls under the direct authority of the NOU.
2. DIW, through its PMU and the NOU, will collaborate and coordinate with the Ministry of Finance (MOF) and the Customs Department to implement the import/control system for HCFCs; review annual HCFC import/export license applications; and establish and publish the annual import quotas for HCFCs for the period 2026–2034.
3. In order to assist DIW in monitoring and evaluating the progress of the Agreement implementation, the PMU and the NOU will:
- (a) Update the HCFC management information system (MIS) that captures and tracks all relevant and required data on the importation of HCFCs on an annual basis;
 - (b) Update the data on the actual amount of imported HCFCs;

- (c) Monitor and report, in cooperation with the Customs Department, any incidents of illegal import of HCFCs;
- (d) Monitor progress of HCFC phase-out on the demand side;
- (e) Maintain the Plan's MIS on HCFC-consuming enterprises;
- (f) Compile periodic progress reports of the Plan's implementation and HCFC phase-out achievements for sharing with DIW, the MOF, the Customs Department, and the Ministry of Planning and Investment;
- (g) Prepare Tranche Implementation Reports and Plans according to the schedule set forth in Appendix 2-A;
- (h) Prepare other monitoring reports as required by DIW or other Government authorities and by Executive Committee decision, in coordination with the Lead IA; and
- (i) Carry out safety and technical review of all relevant activities undertaken under this Plan.

4. DIW along with its government partner agencies (MOF, the Customs Department and the Ministry of Planning and Investment) will be responsible for reviewing PMU reports and data and instituting control and policy measures which facilitate HCFC control and reductions according to 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 preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;

- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) 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 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 the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$89.85 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LVII

AGREEMENT BETWEEN THE GOVERNMENT OF TUNISIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Tunisia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3 and 4.4.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP and the Government of Italy have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2 and 2.4, and 2.6 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IAs to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IAs with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	39.01
HCFC-141b	C	I	1.61
HCFC-142b	C	I	0.04
Subtotal			40.66
HCFC-141b contained in imported pre-blended polyols			5.02
Total			45.68

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	13.2	13.2	13.2	13.2	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	11.00	9.00	6.75	4.25	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	201,478	0	385,141	0	91,880	678,499

Row	Particulars	2026	2027	2028	2029	2030	Total
2.2	Support costs for Lead IA (US \$)	14,103	0	26,960	0	6,432	47,495
2.3	Cooperating IA (UNEP) agreed funding (US \$)	72,000	0	72,000	0	41,500	185,500
2.4	Support costs for Cooperating IA (US \$)	9,360	0	9,360	0	5,395	24,115
2.5	Cooperating IA (Government of Italy) agreed funding (US \$)	350,000	0	0	0	0	350,000
2.6	Support costs for Cooperating IA (US \$)	45,500	0	0	0	0	45,500
3.1	Total agreed funding (US \$)	623,478	0	457,141	0	133,380	1,213,999
3.2	Total support costs (US \$)	68,963	0	36,320	0	11,827	117,110
3.3	Total agreed costs (US \$)	692,441	0	493,461	0	145,207	1,331,109
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						12.88
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						26.13
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)						1.34
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.27**
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)						0
4.3.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)						0
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)						0.04**
4.4.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0
4.4.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)						5.02
4.4.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0

* Date of completion of stage II as extended by decision 98/39(a): 31 December 2027.

**Remaining eligible consumption for funding is zero since there is no more consumption in the country.

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds

during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (“NOU”) of the Country 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 HCFC consumption verification undertaken by the Lead IA.

3. The Ministry of Environment in the Country 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 preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IAs;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) Coordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and

- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$188 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LVIII

AGREEMENT BETWEEN THE GOVERNMENT OF TURKMENISTAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

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 the ozone-depleting substances (ODSs) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. 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 evaluation work programme of the Multilateral Fund or 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 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee 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), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	6.8
Total			6.8

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	2.21	2.21	2.21	2.21	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	2.21	2.21	2.21	2.21	0.00	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	143,650	0	134,450	0	30,900	309,000
2.2	Support costs for Lead IA (US \$)	10,056	0	9,411	0	2,163	21,630
3.1	Total agreed funding (US \$)	143,650	0	134,450	0	30,900	309,000
3.2	Total support costs (US \$)	10,056	0	9,411	0	2,163	21,630
3.3	Total agreed costs (US \$)	153,706	0	143,861	0	33,063	330,630
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						2.21
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stages (ODP tonnes)						4.59
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0

* Date of completion of stage II as per stage II Agreement: 31 December 2026

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
 - (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
 - (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (NOU), under the Ministry of Environmental Protection of Turkmenistan (MEPT), is responsible for coordinating the Country's action plan with respect to ozone layer protection

and facilitation of ODS phase-out. The NOU is in charge of coordinating all monitoring activities and implementing the country programmes under the Montreal Protocol. Implementation of the planned project activities will thus be allocated to the NOU in cooperation with the Lead IA. The NOU as a management body has responsibility towards the MEPT as a decision-making body.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) 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 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 the

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

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

Annex LIX

AGREEMENT BETWEEN THE GOVERNMENT OF BELIZE 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 Belize (“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 146,835 CO₂-equivalent (CO₂-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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the

Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	502,263	502,263	502,263	452,037	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	70.8	n/a
		CO ₂ -eq tonnes	163,150	163,150	163,150	146,835	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		61,100	0	49,500	0	110,600
2.2	Support costs for Lead IA (US \$)		7,943	0	6,435	0	14,378
2.3	Cooperating IA (UNDP) agreed funding (US \$)		32,900	0	14,500	0	47,400
2.4	Support costs for Cooperating IA (US \$)		4,277	0	1,885	0	6,162
3.1	Total agreed funding (US \$)		94,000	0	64,000	0	158,000
3.2	Total support costs (US \$)		12,220	0	8,320	0	20,540
3.3	Total agreed costs (US \$)		106,220	0	72,320	0	178,540

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), operating under the Department of Environment of the Ministry of Sustainable Development, Climate Change and Solid Waste Management, will be responsible for monitoring the progress of implementation of the Plan's tranches and ensuring that the planned activities, including training, are efficiently and effectively carried out throughout the Plan's duration. In addition to monitoring overall project coordination, stakeholder engagement, and the delivery of outcomes, the NOU will facilitate the verification of HFC consumption to be undertaken by the Lead IA.
2. The National Ozone Officer, who heads the NOU, operates under the supervision of the Chief Environmental Officer, the head of the Department of the Environment. In this executive role, the Chief Environmental Officer ensures that all Multilateral Fund and Ministry policies and procedures for project management, including procurement guidelines, are adhered to.
3. The Department of Environment in the Ministry of Sustainable Development, Climate Change and Solid Waste Management will be responsible for the sustainability of consumption reduction targets achieved through this Agreement.
4. The NOU will submit interim and annual progress and financial reports on the status of implementation of respective national components to the Lead IA and Cooperating IA to monitor the implementation progress of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-e-q 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 LX

**AGREEMENT BETWEEN THE GOVERNMENT OF BHUTAN
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 Bhutan (“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 11,795 CO₂-equivalent (CO₂-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 CO₂-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”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA is contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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 and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	13,105	13,105	13,105	11,795	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	13,105	13,105	13,105	11,795	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		31,000	0	54,000	0	85,000
2.2	Support costs for Lead IA (US \$)		4,030	0	7,020	0	11,050
2.3	Cooperating IA (UNDP) agreed funding (US \$)		50,000	0	0	0	50,000
2.4	Support costs for Cooperating IA (US \$)		6,500	0	0	0	6,500
3.1	Total agreed funding (US \$)		81,000	0	54,000	0	135,000
3.2	Total support costs (US \$)		10,530	0	7,020	0	17,550
3.3	Total agreed costs (US \$)		91,530	0	61,020	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) will be responsible for the day-to-day execution of all components of the project, including oversight of the monitoring, evaluation and reporting consultant. It will be supported by the administration of the Ministry of Energy and Natural Resources, and the Department of Environment and Climate Change.

2. The NOU will be responsible for the monitoring and regular reporting, which 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. The Lead IA will be responsible for ensuring that periodic progress and financial reports are generated, monitoring progress under the tranches and disbursing funds in accordance with the Agreement.

3. The Ministry of Energy and Natural Resources and the Department of Environment and Climate Change in the Country will be responsible for ensuring 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 LXI

UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE PLURINATIONAL STATE OF BOLIVIA 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: 2023-2030)

Purpose

1. This Agreement represents the understanding of the Government of the Plurinational State of Bolivia (“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 576,201 CO₂-equivalent (CO₂-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 and in respect to any consumption of Annex F substances that exceeds the levels defined in rows 4.1.3 (remaining consumption for HFCs contained in imported pre-blended polyols eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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 enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or the Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and the Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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.

17. This updated Agreement supersedes the Agreement reached between Government of the Plurinational State of Bolivia and the Executive Committee at the 97th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a
HFCs contained in imported pre-blended polyols	35,527

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	10	n/a
		CO ₂ -eq tonnes	n/a	677,884	677,884	677,884	677,884	677,884	610,096	610,096	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	15.0	15.0	n/a
		CO ₂ -eq tonnes	n/a	677,884	677,884	677,884	677,884	677,884	576,201	576,201	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		153,500	0	0	225,290	0	0	0	25,000	403,790
2.2	Support costs for Lead IA (US \$)		19,955	0	0	29,288	0	0	0	3,250	52,493
2.3	Cooperating IA (UNEP) agreed funding (US \$)		40,500	0	0	20,000	0	0	0	7,500	68,000
2.4	Support costs for Cooperating IA (US \$)		5,265	0	0	2,600	0	0	0	975	8,840

3.1	Total agreed funding (US \$)	194,000	0	0	245,290	0	0	0	32,500	471,790
3.2	Total support costs (US \$)	25,220	0	0	31,888	0	0	0	4,225	61,333
3.3	Total agreed costs (US \$)	219,220	0	0	277,178	0	0	0	36,725	533,123
4.1.1	Deductions of HFCs contained in imported pre-blended polyols agreed under this Agreement (CO ₂ -eq tonnes)									35,527
4.1.2	Deductions of HFCs contained in imported pre-blended polyols from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs contained in imported pre-blended polyols (CO ₂ -eq tonnes)									0

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 Environment and Water (*Ministerio de Medio Ambiente y Agua*, MMAyA) is the national focal point for the implementation of the Montreal Protocol in the Country.

2. The activities related to the implementation of the Plan will be carried out under the Vice Ministry of Environment, Biodiversity, Climate Change, and Forest Management and Development, through the Governmental Ozone Commission (*Comisión Gubernamental del Ozono*, CGO).

3. All activities under the Plan are included in the annual work plan of the MMAyA. Regular monitoring is conducted by MMAyA and the Lead IA and Cooperating IA, covering the following aspects:

- (a) Management and coordination of the Plan implementation;
- (b) Development and implementation of policies to enable the Government to fulfill its mandates and ensure that industry complies with HFC consumption reduction obligations;
- (c) Continuous monitoring of the private sector in relation to the use of HFCs and potential alternatives;
- (d) Organization and execution of training, awareness-raising, and capacity-building activities to ensure strong commitment to the Plan's goals and obligations;
- (e) Preparation of annual implementation plans, including the sequencing of beneficiary participation in activities;
- (f) Establishment and operation of a reporting system for users of HFCs and their alternatives;
- (g) Design and application of corrective measures when necessary;
- (h) Provision of ongoing technical assistance to project beneficiaries; and
- (i) Establishment and operation of a decentralized monitoring and evaluation mechanism, including on the sustainability of the consumption reduction targets, in collaboration with local environmental regulatory authorities, to ensure sustainability of results.

4. The Country agrees to participate in evaluations carried out under the monitoring and evaluation work programmes of the Multilateral Fund or by any of the implementing agencies involved in the implementation of the Plan.

5. The Government will establish strategic alliances with other governmental institutions, industry associations, and academic bodies to strengthen its strategy and broaden the scope of its activities. These alliances may involve:

- (a) Collaboration with training institutions that host refrigerant phase-out programmes and provide support to the servicing sector; and
- (b) Coordination with the National Customs Office (*Aduana Nacional de Bolivia*, ANB), which develops, guides, and implements regulations, including those related to Montreal Protocol-controlled substances.

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, including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 LXII

**AGREEMENT BETWEEN THE GOVERNMENT OF BRAZIL
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: 2026–2032)

Purpose

1. This Agreement represents the understanding of the Government of Brazil (“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 64,149,958 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2032 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 and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 12 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 12 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO and the Government of the United Kingdom of Great Britain and Northern Ireland have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or the evaluation programme of the Lead IA and/or Cooperating IAs 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 Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4 and 2.6 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 CO₂-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, the Lead IA and the Cooperating IAs to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IAs 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 (CO₂-eq tonnes)
HFCs	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2026	2027	2028	2029	2030	2031	2032	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	10	10	10	10	n/a
		CO ₂ -eq tonnes	72,897,680	72,897,680	72,897,680	65,607,912	65,607,912	65,607,912	65,607,912	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	10.0	10.0	10.0	12.0	n/a
		CO ₂ -eq tonnes	72,897,680	72,897,680	72,897,680	65,607,912	65,607,912	65,607,912	64,149,958	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		6,088,040	0	7,864,178	0	6,285,766	0	0	20,237,984
2.2	Support costs for Lead IA (US \$)		426,163	0	550,492	0	440,004	0	0	1,416,659
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		1,566,337	0	1,236,622	0	1,049,925	0	0	3,852,884
2.4	Support costs for Cooperating IA (US \$)		109,644	0	86,563	0	73,495	0	0	269,702
2.5	Cooperating IA (UK) agreed funding (US \$)		1,080,607	0	1,080,607	0	240,137	0	0	2,401,351
2.6	Support costs for Cooperating IA (US \$)		123,367	0	123,367	0	27,415	0	0	274,149
3.1	Total agreed funding (US \$)		8,734,984	0	10,181,407	0	7,575,828	0	0	26,492,219
3.2	Total support costs (US \$)		659,174	0	760,422	0	540,914	0	0	1,960,510
3.3	Total agreed costs (US \$)		9,394,158	0	10,941,829	0	8,116,742	0	0	28,452,729
4.1.1	Deductions of HFCs agreed under this Agreement (CO ₂ -eq tonnes)									7,305,034
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)									0
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD

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 the Environment and Climate Change (MMA) is responsible for the overall coordination of activities to be undertaken in the Plan and acts as the national ozone unit (NOU). The Brazilian Institute of the Environment and Natural Renewable Resources (IBAMA) is the enforcement

institution linked to the MMA, responsible for carrying out national policies and legislation regarding HFC control. The NOU (under the MMA) monitors at the managerial level all HFC consumption. IBAMA controls HFC consumption (import and export) at end-user level through the licensing system. The Lead IA and Cooperating IAs will be responsible for implementing and monitoring all activities.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects over the next years as specified in the “Regulatory actions” component and the list of activities of the institutional strengthening project. This will guarantee the success of any activity approved for the Country.

3. Close monitoring of all activities and coordination between stakeholders is an essential element of the Plan and is key to reach compliance. There will be regular coordination meetings with industry stakeholders, HFC importers, relevant Government stakeholders, various industrial associations, and all sectors involved, in order to enact the necessary agreements and measures to carry out the investment and non-investment activities on time and in a coordinated manner. In the manufacturing sector, the implementation process and the achievement of the phase-down will be monitored through site visits at enterprise level. Yearly monitoring will be carried out through the HFC licensing and quota system. Verification site visits will be undertaken by independent international experts and a verifier.

4. The MMA will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IAs;
 - (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) Coordinating the activities of the Cooperating IAs and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$7.27 per CO₂-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 LXIII

**UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ECUADOR
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: 2022–2029)**

Purpose

1. This Agreement represents the understanding of the Government of Ecuador (“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 2,730,168 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the levels defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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 evaluation work programme of the Multilateral Fund or 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 CO₂-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.

17. This updated Agreement supersedes the Agreement reached between the Government of Ecuador and the Executive Committee at the 97th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	To be determined (TBD)
HFCs contained in imported pre-blended polyols	96,263

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2022*	2023	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	n/a	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	n/a	n/a	3,179,294	3,179,294	3,179,294	3,179,294	3,179,294	2,861,365	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	n/a	0.0	3.0	5.9	8.7	11.5	14.1	n/a
		CO ₂ -eq tonnes	n/a	n/a	3,179,294	3,083,915	2,991,398	2,901,656	2,814,606	2,730,168	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		267,885	292,600	0	0	789,364	0	0	72,930	1,422,779
2.2	Support costs for Lead IA (US \$)		18,752	20,482	0	0	55,255	0	0	5,105	99,594
3.1	Total agreed funding (US \$)		267,885	292,600	0	0	789,364	0	0	72,930	1,422,779
3.2	Total support costs (US \$)		18,752	20,482	0	0	55,255	0	0	5,105	99,594
3.3	Total agreed costs (US \$)		286,637	313,082	0	0	844,619	0	0	78,035	1,522,373
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)										434,225
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)										14,901
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)										TBD
4.2.1	Deduction of HFCs contained in imported pre-blended polyols under this Agreement (CO ₂ -eq tonnes)										96,263
4.2.2	Deduction of HFCs contained in imported pre-blended polyols from previously approved projects (CO ₂ -eq tonnes)										0
4.2.3	Remaining eligible consumption for HFCs contained in imported pre-blended polyols (CO ₂ -eq tonnes)										0

* Conversion of one commercial and domestic refrigerator manufacturing line at the enterprise Induglob, approved by decision 91/59 to phase out 14,901 CO₂-eq tonnes (10.42 mt) of HFC-134a.

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 Production, Foreign Trade, Investment and Fisheries (MPCEIP) is the focal point of the Montreal Protocol in the Country. The activities corresponding to the implementation of the Protocol are aligned with the strategies and proposals of the National Direction of Environment and Technological Reconversion. This Division coordinates the Plan with the authorities.

2. The Plan is implemented through the national ozone unit established within the MPCEIP, as part of the National Direction of Environment and Technological Reconversion, and its functions are:

- (a) To coordinate, as a focal point, all activities related to the implementation of the country programme for the HFC phase-down;

- (b) To monitor and control the Montreal Protocol-controlled substance consumption;
- (c) To disseminate data and pertinent information to all interested parties, and to inform them on the requirements of the Montreal Protocol;
- (d) To promote awareness of the HFCs and HFC alternatives issues;
- (e) To report to the Ozone Secretariat, Multilateral Fund Secretariat, and the Lead IA on HFC consumption and phase-out; and
- (f) To coordinate and implement projects for the substances controlled by the Montreal Protocol including HFCs.

3. The MPCEIP will be responsible for the sustainability of consumption reduction targets achieved through the Agreement, monitoring of the Plan, and the enforcement of the policies and legislation. The procedures to carry out these activities are:

- (a) Implementation of all activities and components within the Plan, including detailed activity design, audit of the parties involved, identification and selection of beneficiaries, contracting of goods and services, and continuous technical assistance to project beneficiaries;
- (b) Regular monitoring of the trends and attitudes in the local private sector related to HFC use and its possible substitutes;
- (c) Design, organization and implementation (annual) of the project monitoring activities, including the design of the data gathering and analysis instruments;
- (d) Analysis and reporting on the monitoring results and organization of corresponding meetings for the monitoring review and management;
- (e) Design and implementation of corrective measures; and
- (f) Regular implementation of activities for technical assistance to project beneficiaries.

4. The Plan will be managed by a dedicated team led by a coordinator designated by the MPCEIP and supported by the representatives and experts of the Lead IA and the necessary support infrastructure. Support to the management and updating of the legal instruments will include the following activities:

- (a) Management and coordination of the Plan's implementation;
- (b) Establishment of a policy development and application programme to allow the Government to exercise the required mandates and ensure that the industry fulfils the obligations of HFC reduction;
- (c) Development and implementation of training, awareness and capacity-building activities to ensure a high level of commitment to the Plan's objectives and obligations; and
- (d) Preparation of annual implementation plans, including determination of the sequence of beneficiaries' participation of in the activities.

5. 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.

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 \$4.44 per CO₂-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 LXIV

**AGREEMENT BETWEEN THE GOVERNMENT OF MEXICO
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 Mexico (“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 53,887,865 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 12 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 12 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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”) and UNDP and UNEP have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs 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 Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4 and 2.6 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 CO₂-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, the Lead IA and the Cooperating IAs to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IAs 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	To be determined (TBD)

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	76,982,664	76,982,664	76,982,664	76,982,664	76,982,664	69,284,397	n/a
1.2	Maximum allowable total consumption of Annex F substances	%	n/a	0.0	0.0	0.0	10.0	20.0	30.0	n/a
		CO ₂ -eq tonnes	n/a	76,982,664	76,982,664	76,982,664	69,284,398	61,586,131	53,887,865	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		5,085,390	0	3,789,551	0	3,692,764	0	1,593,351	14,161,056
2.2	Support costs for Lead IA (US \$)		355,977	0	265,269	0	258,493	0	111,535	991,274
2.3	Cooperating IA (UNDP) agreed funding (US \$)		1,433,738	0	2,053,265	0	1,206,050	0	63,541	4,756,594
2.4	Support costs for Cooperating IA (US \$)		100,362	0	143,729	0	84,424	0	4,448	332,962
2.5	Cooperating IA (UNEP) agreed funding (US \$)		227,795	0	227,795	0	233,091	0	26,476	715,157
2.6	Support costs for Cooperating IA (US \$)		28,243	0	28,242	0	28,899	0	3,283	88,667
3.1	Total agreed funding (US \$)		6,746,923	0	6,070,611	0	5,131,905	0	1,683,368	19,632,807
3.2	Total support costs (US \$)		484,582	0	437,240	0	371,816	0	119,265	1,412,903
3.3	Total agreed costs (US \$)		7,231,505	0	6,507,851	0	5,503,721	0	1,802,633	21,045,710
4.1.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)								23,094,799	
4.1.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)								*415,204	
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)								TBD	

* Including reductions of 70.96 mt (101,470 CO₂-eq tonnes) of HFC-134a and 5.91 mt (23,187 CO₂-eq tonnes) of R-404A from the conversion of commercial refrigeration manufacturing at two facilities of the enterprise Imbera (US \$1,018,123, plus agency support costs of US \$71,268 for UNIDO, by decision 81/64); 198 mt (283,140 CO₂-eq tonnes) of HFC-134a from the conversion of a domestic refrigeration manufacturing facility and a compressor manufacturing facility at the enterprise Mabe (US \$2,992,400, consisting of US \$2,115,012, plus agency support costs of US \$148,051 for UNDP and US \$584,988, plus agency support costs of US \$74,349 for the Government of Canada, by decision 81/65); 5.18 mt (7,407 CO₂-eq tonnes) of HFC-134a from the conversion of the manufacturing of commercial refrigerators at the enterprise Friocima (US \$136,500, plus agency support costs of US \$12,285 for UNDP, by decision 92/35).

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 Country, through the Secretariat of Environment and Natural Resources (SEMARNAT), shall ensure the monitoring of progress and sustainability of HFC consumption reductions through an established institutional and regulatory framework, supported by inter-institutional coordination mechanisms, in accordance with its national legislation and international commitments.

2. The Country, through SEMARNAT, will be responsible for the overall coordination, monitoring, and reporting of the implementation of activities under this Agreement. SEMARNAT will oversee compliance with established targets and ensure alignment with national regulatory frameworks and international commitments, in line with its authority to formulate and conduct national policy on climate change and ozone layer protection.
3. Within SEMARNAT, the General Directorate of Industry, Clean Energies and Air Quality Management (DGIELGCA) is responsible for implementing regulatory measures related to ozone layer protection, including the allocation of import quotas for controlled substances and the collection of information on their use. In carrying out these functions, DGIELGCA is supported by the national ozone unit, which is responsible for the operational implementation of Montreal Protocol activities, including data collection, verification, stakeholder coordination, and facilitation of compliance and control measures.
4. The implementation of the Montreal Protocol is further supported by the Inter-secretarial Commission for the Control of the Process and Use of Pesticides, Fertilizers and Toxic Substances, which coordinates actions among relevant federal authorities in accordance with applicable national legislation. Among its members, the Ministry of Health, through the Federal Commission for the Protection against Sanitary Risks, regulates the import of hazardous substances pursuant to the General Health Law. The General Directorate of Integral Management of Hazardous Materials and Activities, within the SEMARNAT, issues authorizations for the import and export of hazardous materials and waste in accordance with international agreements.
5. Additional institutions supporting implementation include the National Customs Agency of Mexico, responsible for customs control and enforcement of import and export regulations, and the Ministry of Economy, which establishes trade-related policies and import/export restrictions.
6. Enforcement and compliance verification will be conducted by the Federal Attorney for Environmental Protection (PROFEPA), responsible for ensuring adherence to non-tariff regulations within SEMARNAT's mandate. PROFEPA may carry out inspections and apply administrative sanctions in cases of non-compliance. Environmental enforcement is further supported by the Office of the Attorney General which, through its Specialized Prosecutor's Office, is responsible for the investigation and prosecution of acts defined by law as environmental crimes.
7. The Lead IA will support the Country in monitoring progress, verifying reported data, and ensuring that implementation is consistent with the requirements of the Multilateral Fund.
8. Progress monitoring shall be carried out through the national HFC licensing and quota allocation system, which enables the timely and verifiable tracking of import volumes. This system shall be complemented by data from customs authorities and other relevant governmental entities to ensure the consistency and accuracy of reported consumption.
9. The sustainability of achieved reductions shall be ensured through the continued enforcement of the licensing and quota system, the progressive strengthening of the regulatory framework, inter-institutional coordination, and ongoing capacity-building efforts for stakeholders. This integrated approach shall support long-term compliance and the sustained reduction of HFC consumption in line with the country's commitments.

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, including the activities implemented by the Cooperating IAs;
- (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) Coordinating the activities of the Cooperating IAs and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$2.03 per CO₂-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 LXV

**AGREEMENT BETWEEN THE GOVERNMENT OF NAMIBIA
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 Namibia (“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 658,685 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency/agencies (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the

Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	774,924	774,924	774,924	697,432	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	15.0	n/a
		CO ₂ -eq tonnes	774,924	774,924	774,924	658,685	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		113,000	0	82,000	0	195,000
2.2	Support costs for Lead IA (US \$)		14,690	0	10,660	0	25,350
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		82,000	0	48,000	0	130,000
2.4	Support costs for Cooperating IA (US \$)		10,660	0	6,240	0	16,900
3.1	Total agreed funding (US \$)		195,000	0	130,000	0	325,000
3.2	Total support costs (US \$)		25,350	0	16,900	0	42,250
3.3	Total agreed costs (US \$)		220,350	0	146,900	0	367,250

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 Directorate of Industrial Development within the Ministry of Industries, Mines and Energy in the Government of Namibia 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 Ministry of Industries, Mines and Energy in the Government of Namibia 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 including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;

- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 LXVI

**AGREEMENT BETWEEN THE GOVERNMENT OF NIGERIA
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: 2024–2030)

Purpose

1. This Agreement represents the understanding of the Government of Nigeria (“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 20,775,549 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;
- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable

cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

- (d) 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. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO, UNEP, and the Government of Italy have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs 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 Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4, 2.6, and 2.8 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 CO₂-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, the Lead IA and the Cooperating IAs to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IAs 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	To be determined (TBD)

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2024	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances (CO ₂ -eq tonnes)	%	24,986,406	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	24,986,406	24,986,406	24,986,406	24,986,406	22,487,765	22,487,765	n/a
1.2	Maximum allowable total consumption of Annex F substances (CO ₂ -eq tonnes)	Reduction in %	0.0	0.0	0.0	0.0	16.85	16.85	n/a
		CO ₂ -eq tonnes	24,986,406	24,986,406	24,986,406	24,986,406	20,775,549	20,775,549	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)		1,902,050	909,206	0	3,673,872	0	1,780,715	8,265,843
2.2	Support costs for Lead IA (US \$)		133,144	63,644	0	257,171	0	124,650	578,609
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		705,510	1,201,874	0	243,825	0	0	2,151,209
2.4	Support costs for Cooperating IA (US \$)		49,386	84,131	0	17,068	0	0	150,585
2.5	Cooperating IA (UNEP) agreed funding (US \$)		130,800	0	0	130,800	0	65,400	327,000
2.6	Support costs for Cooperating IA (US \$)		17,004	0	0	17,004	0	8,502	42,510
2.7	Cooperating IA (Italy) agreed funding (US \$)		0	250,000	0	250,000	0	0	500,000

Row	Particulars	2024	2026	2027	2028	2029	2030	Total
2.8	Support costs for Cooperating IA (US \$)	0	32,500	0	32,500	0	0	65,000
3.1	Total agreed funding (US \$)	2,738,360	2,361,080	0	4,298,497	0	1,846,115	11,244,052
3.2	Total support costs (US \$)	199,534	180,275	0	323,743	0	133,152	836,704
3.3	Total agreed costs (US \$)	2,937,894	2,541,355	0	4,622,240	0	1,979,267	12,080,756
4.1	Deduction of HFCs under this Agreement (CO ₂ -eq tonnes)							4,210,857
4.2	Deduction of HFCs from previously approved projects (CO ₂ -eq tonnes)							0
4.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)							TBD

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 Ministry of Environment (MOE) of Nigeria is the entity responsible for the overall coordination, strategic management, and policy direction of programmes and activities under the Plan and broader Montreal Protocol initiatives. The MOE is directly supported by the national ozone office (NOO), which serves as the dedicated implementing office responsible for the day-to-day execution of all Plan activities.

2. The NOO operates as the primary national focal point to coordinate and drive the operational activities of the Plan. Supported by the MOE, the NOO works in close coordination with key national entities, including the Nigeria Customs Service, the National Agency for Food and Drug Administration and Control, and the Federal Ministry of Power, alongside other implementing partners and private sector stakeholders. These collaborations are essential to facilitate the development, implementation, and rigorous monitoring of the Plan, ensuring Nigeria's strict adherence to its commitments under the Montreal Protocol.

3. Coordination and monitoring of the Plan will be accomplished through the NOO's continuous operational oversight of Plan activities. This framework includes the verification of project milestones, the tracking of funding disbursements, and the comprehensive monitoring and assessment of implemented phase-down activities to ensure sustained progress in reducing HFC consumption across the Country.

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 including the activities implemented by the Cooperating IAs;
 - (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) Coordinating the activities of the Cooperating IAs and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 \$5.34 per CO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. The Government was invited, on an exceptional basis, to submit, by the 100th meeting of the Executive Committee, a proposal to convert any remaining eligible enterprises manufacturing residential air-conditioning units using R-410A and domestic refrigerators using HFC-134a, on the understanding that:

- (a) The maximum remaining consumption of R-410A eligible for funding was 132,055 CO₂-eq tonnes (63.26 metric tonnes); and
- (b) The maximum remaining consumption of HFC-134a eligible for funding was 98,985 CO₂-eq tonnes (69.22 metric tonnes).

Annex LXVII

AGREEMENT BETWEEN THE GOVERNMENT OF THAILAND 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: 2026–2034)

Purpose

1. This Agreement represents the understanding of the Government of Thailand (“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 47,416,761 CO₂-equivalent (CO₂-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, and in respect to any consumption of Annex F substances that exceeds the levels defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with 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 CO₂-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;

- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and
- (d) 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. The World Bank 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 CO₂-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 (CO₂-eq tonnes)
HFCs	To be determined (TBD)
HFCs contained in imported pre-blended polyols	TBD

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	2031-2032	2033	2034	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	10	10	10	10	n/a
		CO ₂ -eq tonnes	59,270,951	59,270,951	59,270,951	53,343,856	53,343,856	53,343,856	53,343,856	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	20.0	20.0	20.0	20.0	n/a
		CO ₂ -eq tonnes	59,270,951	59,270,951	59,270,951	47,416,761	47,416,761	47,416,761	47,416,761	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)	3,121,489	0	3,629,630	0	3,039,322	0	341,829	0	10,132,270
2.2	Support costs for Lead IA (US \$)	218,504	0	254,074	0	212,753	0	23,928	0	709,259
3.1	Total agreed funding (US \$)	3,121,489	0	3,629,630	0	3,039,322	0	341,829	0	10,132,270
3.2	Total support costs (US \$)	218,504	0	254,074	0	212,753	0	23,928	0	709,259
3.3	Total agreed costs (US \$)	3,339,993	0	3,883,704	0	3,252,075	0	365,757	0	10,841,529
4.1.1	Deductions of HFCs agreed under this Agreement (CO ₂ -eq tonnes)									*2,830,814
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)									**12,555
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)									TBD
4.2.1	Deductions of HFCs contained in imported pre-blended polyols agreed under this Agreement (CO ₂ -eq tonnes)									0
4.2.2	Deductions of HFCs contained in imported pre-blended polyols from previously approved projects (CO ₂ -eq tonnes)									0
4.2.3	Remaining eligible consumption for HFCs contained in imported pre-blended polyols (CO ₂ -eq tonnes)									TBD

*An additional reduction of up to 10,417,599 CO₂-eq tonnes associated with stockpiled HFCs that had been imported into the country during the baseline years for use in subsequent years would also be deducted from the starting point (decision 98/51(b)(iv)).

** Including reductions of 8.78 mt (12,555 CO₂-eq tonnes) of HFC-134a from the conversion of the manufacture of commercial refrigeration appliances at Pattana Intercool Co. Ltd. (US \$183,514, plus agency support costs of US \$16,516 for the World Bank, by (decision 82/80).

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 Thailand National Focal Point for the Implementation of the Montreal Protocol (the national ozone unit (NOU)) of the Department of Industrial Works (DIW) within the Ministry of Industry, is responsible for managing and co-ordinating Thailand's Plan, including all phase-down activities and

measures controlling HFCs and sustainability of the consumption reduction targets achieved through the Agreement. The management and implementation of this Agreement will be undertaken by the project management unit (PMU) for the implementation of stage I of the Plan, which falls under the direct authority of DIW.

2. DIW, through its PMU and the NOU, will collaborate and co-ordinate with the Ministry of Finance (MOF) and the Customs Department to implement the import/control system for HFCs; review annual HFC import/export license applications; and establish and publish the annual import quotas for HFCs for the period 2027–2034.

3. In order to assist DIW in monitoring and evaluating the progress of Agreement implementation, the PMU and NOU will:

- (a) Update the HFC management information system (MIS) that captures and tracks all relevant and required data on the importation of HFCs on an annual basis;
- (b) Update the data on the actual amount of imported HFCs;
- (c) Monitor and report, in cooperation with the Customs Department, any incidents of illegal import of HFCs;
- (d) Monitor progress of HFC phase-down on the demand side, including activities relating to training and capacity-building and sub-project implementation;
- (e) Maintain the Plan's MIS;
- (f) Compile periodic progress reports of HFC phase-down plan implementation and HFC phase-down achievements for sharing with the Customs Department and MOF;
- (g) Prepare Tranche Implementation Reports and Plans according to the schedule set forth in Appendix 2-A;
- (h) Prepare other monitoring reports as required by DIW or other Government authorities and by Executive Committee decision, in coordination with the Lead IA; and
- (i) Carry out safety and technical review of all relevant activities undertaken under this Plan.

4. DIW along with its government partner agencies (including the Customs Department, the Ministry of Planning and Investment, and the Department of Alternative Energy Development and Efficiency on relevant energy-efficiency activities) will be responsible for reviewing PMU reports and data and instituting control and policy measures which facilitate HFC control and reductions according to 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 \$7.26 per CO₂-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 LXVIII

**AGREEMENT BETWEEN THE GOVERNMENT OF UGANDA
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 Uganda (“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 35,489 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	39,432	39,432	39,432	35,489	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	39,432	39,432	39,432	35,489	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		47,000	0	38,000	0	85,000
2.2	Support costs for Lead IA (US \$)		6,110	0	4,940	0	11,050
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		40,000	0	20,000	0	60,000
2.4	Support costs for Cooperating IA (US \$)		5,200	0	2,600	0	7,800
3.1	Total agreed funding (US \$)		87,000	0	58,000	0	145,000
3.2	Total support costs (US \$)		11,310	0	7,540	0	18,850
3.3	Total agreed costs (US \$)		98,310	0	65,540	0	163,850

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 Land and Environment, is responsible for monitoring the progress of implementation of activities in the Plan.
2. 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 training and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.
3. The Ministry of Land and Environment will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 LXIX

**AGREEMENT BETWEEN THE GOVERNMENT OF ZAMBIA
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 Zambia (“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 629,562 CO₂-equivalent (CO₂-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 CO₂-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”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the evaluation work programme of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the 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 CO₂-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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 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	699,513	699,513	699,513	629,562	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	699,513	699,513	699,513	629,562	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		103,375	0	76,625	0	180,000
2.2	Support costs for Lead IA (US \$)		13,439	0	9,961	0	23,400
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		90,000	0	55,000	0	145,000
2.4	Support costs for Cooperating IA (US \$)		11,700	0	7,150	0	18,850
3.1	Total agreed funding (US \$)		193,375	0	131,625	0	325,000
3.2	Total support costs (US \$)		25,139	0	17,111	0	42,250
3.3	Total agreed costs (US \$)		218,514	0	148,736	0	367,250

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 within the Zambia Environmental Management Agency (ZEMA) is responsible for monitoring the progress of implementation of activities in the Plan. The monitoring will be conducted to ensure efficient and effective implementation of activities planned under all tranches, overall project coordination, stakeholder engagement, delivery of training and other expected outcomes, and facilitation of HFC consumption verification undertaken by the Lead IA. ZEMA will be responsible for the sustainability of consumption reduction targets achieved through this 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 including the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and 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) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with the policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY 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 CO₂-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 LXX

**GUIDELINES FOR THE PREPARATION OF PILOT PROJECTS
TO ENHANCE REGIONAL ATMOSPHERIC MONITORING OF SUBSTANCES
CONTROLLED BY THE MONTREAL PROTOCOL**

1. Requests for funding for the preparation of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol would:
 - (a) Consider countries in priority regions identified by the Advisory Committee of the Vienna Convention General Trust Fund that would provide a benefit through the establishment of an atmospheric monitoring station;
 - (b) Follow the process for assessing the suitability of the proposed monitoring station site described in document UNEP/OzL.Pro/ExCom/98/61, including undertaking observing system simulation experiments (OSSEs), if necessary, an initial site preliminary observations test (SPOT), and developmental observations test (DOT);
 - (c) Include a letter from the Government concerned committing to ensure that the proposed atmospheric monitoring station would follow the principles of availability and accessibility of data described in paragraphs 20 to 22 of document UNEP/OzL.Pro/ExCom/96/62;
 - (d) Include a description of the proposed site where the atmospheric monitoring station will be established, including local topography, surrounding land types (agricultural, forest, urban, etc.) and neighborhood environs, and existing infrastructure;
 - (e) Include a description of the scientific and technical capacity of local institutions and personnel who could maintain and operate the station, and analyze the resultant data; and
 - (f) Include a description of potential co-financing available from local institutions or the government for short and long-term viability of the station.
2. The maximum amount of funding available for the preparation of pilot projects to establish three regional atmospheric monitoring stations is US \$1,730,440 plus agency support costs.
3. Bilateral and implementing agencies are requested, when submitting a request for the preparation of pilot projects to establish an atmospheric monitoring station, to provide an indication of the activities that need to be undertaken for pilot project preparation, with specific costs clearly identified.

Annex LXXI

**GUIDELINES FOR THE IMPLEMENTATION OF PILOT PROJECTS
TO ENHANCE REGIONAL ATMOSPHERIC MONITORING OF SUBSTANCES
CONTROLLED BY THE MONTREAL PROTOCOL**

1. Bilateral and implementing agencies are requested to ensure that the following information is included in proposals for pilot projects to establish an atmospheric monitoring station:

- (a) A thorough description of the proposed site where the atmospheric monitoring station will be established, including local topography, surrounding land types (agricultural, forest, urban, etc.) and neighborhood environs, and existing infrastructure;
- (b) A detailed description of the scientific and technical capacity of local personnel who will maintain and operate the station, and analyze the resultant data;
- (c) An assessment of the results of the flask sampling undertaken as part of the pilot project preparation demonstrating the suitability of the site and specifying the nature of monitoring to be undertaken;
- (d) A description of the costs to establish, maintain and operate the monitoring station, including related to the procurement of required equipment and instrumentation; improvements to or establishment of new infrastructure; compressed gases and calibration scale standards, and if relevant; maintenance; and personnel and other related costs;
- (e) A description of how the sustainability of the station, and the accessibility and quality of the measurements, including in relation to the use of stable, well-characterized calibration scales, and regular technical review will be ensured;
- (f) A commitment from the Government concerned that the station would follow the principles of availability and accessibility of data described in paragraphs 20 to 22 of document UNEP/OzL.Pro/ExCom/96/62; and
- (g) A description of co-financing available from local institutions or the government for short and long-term viability of the station.

2. The establishment of an atmospheric monitoring station at sites with existing infrastructure and access to appropriate scientific and technical capacity to maintain and operate the station will be prioritized. However, proposals for sites lacking infrastructure may be considered if there is a strong scientific justification.

3. Pilot projects to establish an atmospheric monitoring station to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol would only be considered that inter alia are:

- (a) In a region identified by the Advisory Committee of the Vienna Convention General Trust Fund that would provide a benefit through the establishment of an atmospheric monitoring station; and

- (b) In an Article 5 country that committed to ensuring that the atmospheric monitoring station would follow the principles of availability and accessibility of data described in paragraphs 20 to 22 of document UNEP/OzL.Pro/ExCom/96/62, including the Findability, Accessibility, Interoperability, and Reusability (FAIR) guiding principles for scientific data management and stewardship¹ and open data availability and accessibility.

4. Atmospheric monitoring stations would be provided incremental recurring costs (IRCs) for up to five years on a pilot basis and without prejudice to any subsequent decision the Executive Committee may take on the provision of IRCs, noting that the Executive Committee will review options for the duration and provision of IRCs at the 107th meeting of the Executive Committee. Atmospheric monitoring stations established in Article 5 countries with the support of the Vienna Convention General Trust Fund could be eligible for IRCs on the same basis as monitoring stations established under the Multilateral Fund on the understanding that the maximum number of years for which support for their operation was provided was irrespective of whether that support was provided by the Vienna Convention General Trust Fund or the Multilateral Fund.

5. The Secretariat will assess the costs to establish an atmospheric monitoring station in light of the financial model prepared by the Ozone Secretariat for the Thirty Eighth Meeting of the Parties, advice from the Advisory Committee of the Vienna Convention General Trust Fund, and other relevant information.

¹ Wilkinson, M., Dumontier, M., Aalbersberg, I. et al. The FAIR Guiding Principles for scientific data management and stewardship. Sci Data 3, 160018 (2016). <https://doi.org/10.1038/sdata.2016.18>

Annex LXXII

TEMPLATE

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF [COUNTRY] AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND TO ENHANCE REGIONAL ATMOSPHERIC MONITORING IN ACCORDANCE WITH THE PILOT PROJECT TO ESTABLISH AND OPERATE A STATION TO MONITOR THE ATMOSPHERIC ABUNDANCES OF SUBSTANCES CONTROLLED BY THE MONTREAL PROTOCOL

Purpose

1. This Agreement represents the understanding of the Government of [country] (“the Country”) and the Executive Committee with respect to the establishment and operation of a station to monitor the atmospheric abundance of substances controlled under the Montreal Protocol. The Country agrees to ensure that the atmospheric monitoring station will follow the principles of availability and accessibility of data described in document UNEP/OzL.Pro/ExCom/96/62, including an open data policy and the Findability, Accessibility, Interoperability, and Reusability (FAIR) guiding principles for scientific data management and stewardship.
2. 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 2.1 of Appendix 1-A (“Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 2-A (“Funding Approval Schedule”). The Country agrees to implement this Agreement in accordance with the pilot project to establish and operate a station to monitor the atmospheric abundance of substances controlled by the Montreal Protocol (“the Plan”) as approved.

Conditions for funding release

3. The Executive Committee will provide the Funding, in accordance with the Funding Approval Schedule, when the Country demonstrates, at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule, that the atmospheric monitoring station followed the principles of availability and accessibility of data described in paragraph 1 above for all relevant years; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent.

Implementation, monitoring and reporting

4. 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. [IA] has agreed to be the implementing agency (the “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 programmes of the Multilateral Fund or under the evaluation programme of the IA. The Country and IA will take into consideration relevant decisions of the Executive Committee that take effect during the implementation of the Plan.
5. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 3-A (“Monitoring Institutions and Roles”) will monitor and report on the implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

6. The IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement. The Executive Committee agrees, in principle, to provide the IA with the fees set out in row 1.2 of Appendix 1-A.

7. The submission of each tranche request will consist of three parts: a brief executive summary, a Tranche Implementation Report, and a Tranche Implementation Plan. The Tranche Implementation Report will provide data, separated by tranche, describing the progress achieved since the previous report, including the status of the monitoring station, the availability and accessibility of data, whether scientific articles had been published in the peer-reviewed scientific literature based on data from the station, any capacity-building activities completed by personnel at the station, quantitative information on the activities implemented, successes and challenges, and information on changes, delays, or the use of flexibility for the reallocation of funds described in paragraph 9. The Tranche Implementation Plan will provide a description of the activities to be undertaken during the period covered by the requested tranche, including quantitative information, implementation milestones, the date of completion, and the interdependence of the activities, as well as scientific advice received from the Advisory Committee and how this advice was taken up in project implementation.

8. The Country will comply with any reasonable request of the Executive Committee and the IA to facilitate implementation of this Agreement. In the case of non-compliance, the Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions.

Flexibility in the reallocation of funds

9. The Executive Committee agrees that the Country may have the flexibility to reallocate up to 30 per cent of the last approved tranche, according to the evolving circumstances, to achieve the smoothest operation of the atmospheric monitoring station and address specific needs that might arise during project implementation. Reallocations categorized as major changes will be documented at least 10 weeks prior to any meeting of the Executive Committee for its approval. Any remaining funds held by the IA or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement or upon cancellation of the project. Limited-time no-cost extensions will be considered on a case-by-case basis if a strong justification is provided by the Country (see paragraph 10 below).

Date of completion

10. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year specified in Appendix 1-A. Should at that time there still be activities that are outstanding, and which had been reported in the last tranche request or documented in accordance with paragraph 7 above, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements of this Agreement will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Disposition of equipment

11. The Country agrees to return all equipment procured by the Multilateral Fund in case a monitoring station ceases to operate, ceases to make data available, or if so-requested by the Executive Committee.

APPENDICES

APPENDIX 1-A: FUNDING

Row	Particulars	2027	2028	2029	2030	2031	Total
1.1	IA ([IA]) agreed funding (US \$)						
1.2	Support costs for IA (US \$)						
1.3	Total agreed costs (US \$)						

APPENDIX 2-A: FUNDING APPROVAL SCHEDULE

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

APPENDIX 3-A: MONITORING INSTITUTIONS AND ROLES

1. This section must be completed by the Country and the IA. It must provide a detailed and credible indication of how progress is to be monitored, and which organizations will be responsible for the activities and the sustainability of the operation of the atmospheric monitoring station.
