

Annex LVI
DECISION 92/37

1. Subsequently, the Executive Committee decided:

- (a) To note the analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector, contained in documents UNEP/OzL.Pro/ExCom/91/61 and UNEP/OzL.Pro/ExCom/92/44;
- (b) To apply the following principles with regard to the eligible incremental costs in the refrigeration servicing sector for stage I of the Kigali HFC implementation plans (KIPs), on the understanding that the funding levels specified below would be revised for activities submitted for future KIP stages when activities under HCFC phase-out management plans (HPMPs) had been completed:
 - (i) Article 5 countries must include in their KIPs, at a minimum:
 - a. A commitment to meeting, without further requests for funding, at least the 10 per cent reduction target in HFC consumption in line with the compliance schedule of the Montreal Protocol, and to restricting imports of HFC-based equipment, if feasible, and if necessary to achieve the compliance schedule and support relevant phase-down activities;
 - b. Mandatory reporting, by the time funding tranches for the KIPs were requested, on the implementation of activities undertaken in the refrigeration servicing sector and in the manufacturing sector, when applicable, in the previous tranche, as well as a comprehensive annual work plan for the implementation of the activities associated with the next tranche;
 - c. A description of the roles and responsibilities of major stakeholders and the lead implementing agency and the cooperating agencies, where applicable;
 - d. A description of how activities in the servicing sector under KIPs and HPMPs would be coordinated in their implementation;
 - (ii) Article 5 countries that had an average HFC consumption in the servicing sector during the baseline years of up to 360 metric tonnes would be provided funding consistent with the level of consumption in the refrigeration servicing sector, as shown in the table below, on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve at least the 10 per cent of the Montreal Protocol HFC reduction target;

Average HFC consumption in servicing in baseline years (metric tonnes)	Funding for meeting the 10 per cent Montreal Protocol HFC reduction target (US\$)*
>0 <15	135,000
15 <40	145,000
40 <80	158,000
80 <120	170,000
120 <160	180,000
160 <200	190,000
200 <300	325,000
300 <360	360,000

* Plus 20 per cent funding for countries committing to reduce consumption by 10 per cent of the average HFC consumption in the baseline years

- (iii) Article 5 countries with average HFC consumption above 360 metric tonnes and below 25,000 metric tonnes in the servicing sector in the baseline years would be provided funding, which would be deducted from their starting point for aggregate reductions in HFC consumption, at a level up to US \$5.10/kg on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve at least the 10 per cent HFC reduction target;
 - (iv) Funding for Article 5 countries that had an average HFC consumption in servicing in baseline years above 25,000 metric tonnes would be considered on a case-by-case basis;
- (c) That Article 5 countries referred to in subparagraph (b)(iii) above that could achieve the 10 per cent reduction step in HFC consumption in line with the compliance schedule of the Montreal Protocol could receive funding up to the level determined for low-volume-consuming countries with average HFC consumption in servicing in the baseline years between 300 and 360 metric tonnes as specified in subparagraph (b)(ii) above, on the understanding that they must include in their HFC phase-down plans, as a minimum, the requirements described in subparagraph (b)(i) above; and
- (d) To include the principles referred to in subparagraphs (b) and (c) in the draft cost guidelines for the phase-down of HFCs and revisit the principles in 2028 for the funding of future stages of the KIPs.