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Item 7(b)(i) of the provisional agenda[1]

REPORTS ON PROJECTS WITH SPECIFIC REPORTING REQUIREMENTS: REPORTS WITH NO OUTSTANDING ISSUES

An overview

1. This document includes reports on projects related to HCFC phase-out management plans,[2,3,4] Kigali HFC implementation plan Agreements, additional activities to maintain energy efficiency in the refrigeration servicing sector (decision 89/6), a request for change of agency and a request for cancellation of various projects. Table 1 lists the reports on projects with specific reporting requirements submitted to the 97th meeting which, after the Secretariat's review, have no outstanding issues and therefore do not require the Executive Committee to consider them individually.

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

[2] In line with decisions 96/8(b) and 95/19(b), Argentina submitted a report to provide an update on the local market availability of low-GWP alternatives to HCFC-141b in the foam sector and on the transitional use of high-GWP alternatives. The report is presented in the project proposal document for Argentina (UNEP/OzL.Pro/ExCom/97/36).

[3] In line with decision 94/32, Bangladesh submitted a report on the implementation of the work programme associated with the final tranche through completion of the project and verification reports until approval of stage III to the 97th meeting. The report is presented in the project proposal document for Bangladesh (UNEP/OzL.Pro/ExCom/97/37).

[4] In line with decisions 94/34(c) and (d), China submitted a report on an approach to estimate the tonnage of possible HFCs phased in by Multilateral Fund-assisted enterprises to meet the demand associated with the HCFC-based manufacturing capacity converted to R-290 under the HPMP room air-conditioning manufacturing and heat pump water heater (RAC) sector plan. The report is presented in the project proposal document for China (UNEP/OzL.Pro/ExCom/97/44).

Table 1. Reports on projects with specific reporting requirements with no outstanding issues

Country	Project title	Paragraphs
A. Reports related to HCFC phase-out management plans (HPMPs)		
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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)	16-22
Lebanon	HCFC phase-out management plan (stage II – progress report on the implementation of the work programme associated with the fourth and final tranche)	23-33
Lesotho	HCFC phase-out management plan (stage II – report on the status of adoption of safety standards for flammable refrigerants and the establishment of mandatory certification of technicians in line with decision 87/41(b))	34-41
Pakistan	HCFC phase-out management plan (stage III – action plan related to the conversion of the enterprise Cool Point in the polyurethane foam sector)	42-52
B. Report related to Kigali HFC implementation plan (KIP) Agreements		
Multiple	Agreements for the reduction in consumption of HFCs in accordance with stage I of Kigali HFC implementation plans	53-57
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Kyrgyzstan	Additional activities to maintain energy efficiency in the refrigeration servicing sector under decision 89/6(b) (final progress report)	58-63
D. Request for change of implementation agency		
Armenia	HCFC phase-out management plan (stage III) and Kigali HFC implementation plan (stage I) (change of implementing agency)	64-76
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A. Reports related to HPMPs

<u>Bahrain: HCFC phase-out management plan (stage II – progress report on the implementation of the work programme associated with the third and final tranche)</u> (UNEP and UNIDO)

Background

2. In approving the third and final tranche of stage II of the HCFC phase-out management plan (HPMP) for Bahrain, the Executive Committee requested the Government of Bahrain, UNEP and UNIDO to submit, on a yearly basis, progress reports on the implementation of the work programme associated with the final tranche through completion of the project, verification reports until approval of stage III, and the project completion report (PCR) to the second meeting of the Executive Committee in 2027 (decision 95/34).

3. In line with decision 95/34, on behalf of the Government of Bahrain, UNEP as lead agency has submitted to the present meeting a progress report on the implementation of the work programme associated with the final tranche.

Progress report

HCFC consumption and verification

4. The Government of Bahrain reported a consumption of 28.57 ODP tonnes of HCFCs in 2024, which is 45 per cent below the country's HCFC baseline for compliance and in accordance with the maximum allowable consumption for that year. The verification on 2024 consumption has not been submitted.

Legal framework

5. The Government of Bahrain ratified the Kigali Amendment in July 2024. Bans on the import and use of HCFC-141b contained in pre-blended polyols and on the import and manufacture of HCFC-22-based air-conditioning (AC) equipment were implemented as of 1 January 2025.

Manufacturing sector

6. The umbrella project to phase out 135.93 mt of HCFC-141b contained in imported pre-blended polyols in the foam sector has been completed. The import of HCFC-141b contained in imported pre-blended polyols has been prohibited.

7. Bahrain has banned the import and manufacture of AC equipment using HCFC-22 as of January 2025. Consequently, production was halted at Awal Gulf Manufacturing Company (AGM), the country's sole manufacturer of such equipment. This action ensures the ban is fully enforced across the manufacturing sector.

Refrigeration servicing sector

8. All activities planned in the servicing sector under the third tranche have been completed:

(a) A workshop that included an interactive discussion was held as part of the targeted awareness campaign aimed at Government authorities and relevant stakeholders, raising awareness of the Montreal Protocol and introducing and enforcing the latest Gulf Cooperation Council (GCC) regulations, attended by 66 participants including 18 women;

(b) Four training sessions were held and 40 newly recruited customs officers trained on the Montreal Protocol and control of HCFCs, including risk profiling;

(c) Two training sessions were held and 40 technicians from 25 enterprises trained and certified on refrigeration and air-conditioning (RAC) good servicing practices in collaboration with local institutes; and

(d) Training tools and equipment[5] were distributed to training centres.

Project implementation and monitoring

9. The project management unit (PMU) implements activities, monitors progress, and reports achievements. Of the US $10,000 approved for the PMU in the third tranche, US $8,000 was disbursed, comprising staff and consultants (US $5,600) and meetings and workshops (US $2,400).

[5] Including refrigerant cylinders, various gas cylinders, copper tubes, and recovery machines.

Level of fund disbursement

10. As of October 2025, of the US $662,999 approved under stage II, US $654,559 had been disbursed (US $375,677 for UNEP and US $278,882 for UNIDO), as shown in table 2. The balance of US $8,440 will be disbursed by 31 December 2025.

Table 2. Financial report of stage II of the HPMP for Bahrain (US $)

Tranche		UNEP	UNIDO	Total	Disbursement rate (%)
First	Approved	249,500	203,999	453,499	100
	Disbursed	249,500	203,999	453,499	
Second	Approved	79,500	54,000	133,500	98.9
	Disbursed	78,177	53,903	132,080	
Third	Approved	55,000	21,000	76,000	90.8
	Disbursed	48,000	20,980	68,980	
Total	**Approved**	**384,000**	**278,999**	**662,999**	**98.7**
	Disbursed	**375,677**	**278,882**	**654,559**	
	Balance	**8,323**	**117**	**8,440**	

Secretariat's comments

Progress report

Legal framework

11. The Government of Bahrain has already issued HCFC import quotas for 2025 and 2026 at 13.75 ODP tonnes, which are lower than the Montreal Protocol control targets and in accordance with the targets set in the Agreement with the Executive Committee.

Manufacturing sector

12. The phase-out of HCFCs in the manufacturing sector has been completed, resulting in the elimination of 16.50 ODP tonnes. A regulatory ban on the import and use of HCFC-141b in pre-blended polyols, as well as on the import and manufacture of HCFC-22-based AC units, will sustain this manufacturing phase-out and consolidate the achieved reductions.

Refrigeration servicing sector

13. All planned activities in the servicing sector have been successfully completed. UNEP has confirmed that the PCR will be submitted to the second meeting of 2026.

Conclusion

14. Bahrain has successfully met the HCFC control targets under its Agreement with the Executive Committee and the Montreal Protocol, with consumption continuing to decline. The country effectively enforces a licensing and quota system to control the import of both HCFCs and related equipment. The phase-out in the manufacturing sector is sustained through regulatory bans on the import and use of HCFC-141b in pre-blended polyols, as well as on the import and manufacture of HCFC-22-based equipment. In the RAC servicing sector, equipment and tools have been provided to support the mandatory technician training and certification programme; and the increasing quantities of recovered refrigerants are helping to offset demand for virgin refrigerant used in servicing. All stage II activities have been completed, with a PCR scheduled for submission to the second meeting of 2026. The current disbursement rate is 99 per cent.

Recommendation

15. The Executive Committee may wish:

(a) To note the progress report on the implementation of the work programme associated with the third and final tranche of stage II of the HCFC phase-out management plan for Bahrain, submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/97/17; and

(b) To request that UNEP submit the verification of 2024 consumption to the 98th meeting.

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)

Background

16. At its 87th meeting, the Executive Committee approved stage II of the HCFC phase-out management plan (HPMP) for Iraq, noting that its second tranche could only be considered upon completion of stage I of the HPMP (IRQ/PHA/74/INV/23), the national phase-out plan (NPP) (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) (decision 87/40(c)). At the time of second tranche submission to the 95th meeting, the projects listed above had not been completed by UNIDO; accordingly, the tranche had been approved for UNEP only, noting that no further funding would be considered for UNIDO until the condition was fulfilled. Furthermore, on an exceptional basis, the completion dates for stage I of the HPMP and projects IRQ/REF/57/INV/07 and IRQ/PHA/58/INV/09 were extended to 31 December 2025, on the understanding that UNIDO would correct the implementation status of the latter two to "ongoing" (ONG) in its 2024 annual and financial progress reports, and submit to the 96th meeting a report on progress achieved in the implementation of all three projects (decision 95/52).

17. At the 96th meeting, UNIDO presented a progress report indicating that, under the HPMP, the remaining funds earmarked for the planned procurement of 40 refrigerant identifiers had been reallocated to procurement of other essential tools for technicians; and under the NPP, Nassr State Company had started equipment commissioning, installation, and testing, while both Iraqi Steel and Light Industries expected to award the contracts for equipment installation and commissioning by the end of April 2025. The Executive Committee noted the report and requested UNIDO to submit to the 97th meeting a progress report on the completion of those projects (decision 96/9).

Progress report

18. On behalf of the Government of Iraq, UNIDO provided a progress report for the following projects:

(a) *HPMP (stage I, second tranche) (servicing sector technical assistance):* As reported at the 96th meeting, funds earmarked for the planned procurement of 40 refrigerant identifiers were reallocated for the procurement of other essential tools for approximately 100 technicians;[6] all activities, including the distribution of tools to beneficiaries, will be completed by December 2025, as per the extension provided;

(b) *NPP (conversion from CFC-11 to cyclopentane at two polyurethane foam manufacturers)*: Nassr State Company has commissioned its equipment and is awaiting the next steps (verification, safety inspection, and onset of commercial production), with the project

[6] Including electronic leak detectors for several refrigerants, charging oil pumps, portable nitrogen-blowing equipment, torque wrench tool sets, Lokring pliers, assembly jaws, and connectors of different diameters.

expected to be completed by the end of December 2025, as per the extension provided. Iraqi Steel informed UNIDO that it would no longer participate and would complete the installation independently with its own resources, committing not to use HCFCs or HFCs for foam manufacturing. Accordingly, UNIDO has proposed that the project be cancelled and all remaining budgets returned; and

(c) *Project to replace CFC-12 with isobutane and CFC-11 with cyclopentane in domestic refrigeration manufacturing at Light Industries:* The enterprise is currently preparing the site for installations; if this work is completed on time, conversions are expected to be completed by December 2025.

Level of fund disbursement

19. As of September 2025, fund disbursement for the second tranche of stage I of the HPMP and for the NPP had reached 29.1 and 93.7 per cent, respectively; and the total amount of US $2,161,581 approved for the conversion project at Light Industries had been disbursed, and as shown in table 3. The remaining balances will be disbursed by December 2025.

Table 3. Financial report for projects to be completed for Iraq as of September 2025 (US $)

Projects	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
HPMP (stage I, 2nd tranche)	230,000	66,856	29.1	*163,144
NPP (Nassr State Company and Iraqi Steel)	4,353,530	4,080,068	93.7	**273,462
Conversion at Light Industries	2,161,581	2,161,581	100	0

* Including US $155,080 obligated for the procurement of tools and equipment for technicians
** Including US $180,503 obligated for the ongoing enterprise conversion activities

Secretariat's comments

20. The Secretariat notes that stage I of the HPMP and the conversion of Nassr Company will be completed by December 2025 as per the extension provided by the Executive Committee. On the conversions of the remaining two enterprises, UNIDO reported the following:

(a) Iraqi Steel was unable to complete equipment installation as facility upgrades required to accommodate the new equipment could not be completed within the current year; therefore, the enterprise opted to finalize the conversion independently with their own resources. UNIDO confirmed that Iraqi Steel was not currently using HCFCs or HFCs and suggested transferring the ownership of equipment to enterprise by December 2025, upon commitment by the enterprise to complete the self-funded line conversion and not to use HCFCs or HFCs. The national ozone unit (NOU) will monitor compliance with this agreement. The project will be completed by 31 December 2025 and any remaining balances as of that date will be returned to the Multilateral Fund; and

(b) Light Industries would continue to be assisted by UNIDO in completing the conversion of its three production lines up to December 2025. As the project extension was approved on the understanding that no further extension would be requested, UNIDO will operationally complete the project by transferring ownership of equipment for the three lines by 31 December 2025, upon commitment by Light Industries that, if conversion work extends beyond that date, the enterprise will be responsible for the completion. The NOU will monitor compliance with this agreement. UNIDO further agreed with the NOU and Light Industries that it would continue providing technical assistance after completion of the project in December 2025 to ensure proper conversion. As there are no remaining fund balances for this project, no returns are expected. The project will be operationally completed by the end of 2025 and financially closed by June 2026.

21. The Secretariat considers the options provided by UNIDO for Iraqi Steel and Light Industries reasonable, considering significant delays that these projects have suffered. UNIDO further clarified that no HCFC or HFC quotas would be issued to those enterprises, and that the NOU would continue monitoring their compliance with the agreements they reached and report thereon accordingly. Given the situation, the Secretariat suggests that UNIDO provide an update on the operational completion of these projects to the 98th meeting.

Recommendation

22. The Executive Committee may wish:

(a) To note the reports on progress achieved in completing stage I of the HCFC phase-out management plan, the national phase-out plan (first tranche) (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 for Iraq (IRQ/REF/57/INV/07), as submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/97/17; and

(b) To request UNIDO to submit to the 98th meeting a progress report on the completion of projects referred to in subparagraph (a) above.

Lebanon: HCFC phase-out management plan (stage II – progress report on the implementation of the work programme associated with the fourth and final tranche) (UNDP)

Background

23. At its 92nd meeting, in approving the fourth and final tranche of stage II of the HCFC phase-out management plan (HPMP) for Lebanon, the Executive Committee requested the Government and UNDP to submit, on a yearly basis, progress reports on the implementation of the work programme associated with the final tranche through completion of the project, verification reports until approval of stage III, and the project completion report to the first Executive Committee meeting in 2026 (decision 92/24).[7]

24. The Government of Lebanon reported a consumption of 18.32 ODP tonnes of HCFC-22 in 2024, which is 75.1 per cent below the country's HCFC baseline for compliance. The 2020-2024 HCFC consumption is shown in the table below.

Table 4. HCFC consumption in Lebanon (2020-2024 Article 7 data)

HCFC	2020	2021	2022	2023	2024	Baseline
Metric tonnes (mt)						
HCFC-22	526.18	474.28	465.99	447.79	333.10	653.55
HCFC-123	0.00	0.00	0.00	0.00	0.00	2.50
HCFC-141b	56.03	0.00	0.00	0.00	0.00	341.18
Total (mt)	**582.21**	**474.28**	**465.99**	**447.79**	**333.10**	**997.23**
ODP tonnes						
HCFC-22	28.94	26.09	25.63	24.63	18.32	35.95
HCFC-123	0.00	0.00	0.00	0.00	0.00	0.05
HCFC-141b	6.16	0.00	0.00	0.00	0.00	37.53
Total (ODP tonnes)	**35.10**	**26.09**	**25.63**	**24.63**	**18.32**	**73.53**
Maximum allowable consumption	**36.78**	**36.78**	**27.58**	**27.58**	**18.39**	**n/a**

[7] Blanket approval decision

25. The Government of Lebanon reported HCFC sector consumption data under the 2024 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Progress report

26. On behalf of the Government of Lebanon, UNDP submitted a report on progress achieved in the implementation of remaining activities under stage II, as summarized below:

(a) HCFC import quotas for 2025 were issued at 17.6 ODP tonnes, which is lower than the country's target of 17.84 ODP tonnes under the Agreement. The Government will continue to implement the quota system to achieve the HPMP targets in future years;

(b) The national ozone unit (NOU) resumed the implementation of training programmes for the servicing sector following the stabilization of the situation in the country in 2025. To date, 330 technicians have been trained on good servicing practices and the safe use of alternative technologies. As planned, equipment support was provided to the training centre to facilitate the training of service technicians;

(c) The NOU undertook capacity-building activities for regulation enforcement: three national workshops were organized for 130 participants on the enforcement of Decree 3277 and the quota system; and

(d) Of the US $33,964 approved for project implementation and monitoring, US $33,908 was disbursed for consultant (US $2,000), travel (US $2,276), workshops and meetings (US $4,132) and monitoring and reporting (US $25,500).

27. As of September 2025, of the US $4,203,826 approved for stage II, US $4,157,626 had been disbursed. The balance of US $46,200 will be disbursed by December 2025.

28. In line with decisions 89/42(d) and 90/48(c), the operational policy of the Multilateral Fund on gender mainstreaming was incorporated into various activities implemented under stage II of the HPMP. Some key activities implemented include training and awareness campaigns conducted to develop staff competency and awareness on gender mainstreaming, creating gender-inclusive environment while organizing events/activities under the HPMP (e.g., involvement of women in organizing events and participating as resource persons, women engagement in training activities) and sharing success stories and experiences on women's participation in HPMP activities in Lebanon and other regions.

Secretariat's comments

29. UNDP confirmed that stage II of the HPMP would be completed by 31 December 2025, as established in paragraph 14 of the Agreement.

30. As of 1 January 2025, the manufacturing of refrigeration and air-conditioning (RAC) equipment using HCFCs is prohibited in Lebanon; the remaining consumption of HCFCs is solely in the servicing sector.

31. UNDP indicated that the verification report on HCFC consumption for 2023 to 2025 would be submitted to the second meeting in 2026, along with the request for the second tranche of stage III of the HPMP.

32. Regarding the adoption of HFC-32 and HC-based technologies in various RAC applications in Lebanon, UNDP indicated that the market is witnessing a gradual transition toward refrigerants with

lower/low global-warming potential. The training programmes for the servicing sector have been designed and delivered to cover the safe handling and charging of flammable refrigerants, leak prevention and detection and recovery, good maintenance practices, and the reuse of refrigerants. UNDP further explained that at different stages of project planning and implementation of training and outreach activities, an integrated approach will be adopted in coordination with the activities under the Kigali HFC implementation plan currently being initiated in the country.

Recommendation

33. The Executive Committee may wish to note the final progress report on the implementation of the work programme associated with the fourth and final tranche of stage II of the HCFC phase-out management plan for Lebanon, as submitted by UNDP and contained in document UNEP/OzL.Pro/ExCom/97/17.

Lesotho: HCFC phase-out management plan (stage II – report on the status of adoption of safety standards for flammable refrigerants and the establishment of mandatory certification of technicians in line with decision 87/41(b)) (Government of Germany)

Background

34. At its 94th meeting, in approving the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Lesotho, the Executive Committee requested the Government of Germany to submit a report on the status of the adoption of safety standards for flammable refrigerants and the establishment of mandatory certification of technicians in line with decision 87/41(b), at the first meeting of every year starting in 2025 until the submission of the third tranche of stage II of the HPMP (decision 94/20).[8]

Status report

35. In response to the decision, the Government of Germany has provided the following status report.

Adoption of safety standards for flammable refrigerants

36. The national ozone unit has maintained regular engagement with the Lesotho Standards Institute (LSI) regarding the development and adoption of the safety standards. This included two virtual meetings held in February and March 2025, as well as in-person consultations conducted in September 2025. The safety standards, in alignment with ISO-5149, will be adopted by the first quarter of 2026.

Establishment of mandatory certification of technicians

37. The Technical and Vocational Department (TVD) of Lesotho's Ministry of Education, who oversees nationwide vocational training, is undertaking measures to formally establish refrigeration and air-conditioning (RAC) courses for the certification of technicians. In 2024, five representatives from the TVD visited various RAC technical training institutes in South Africa and Namibia to exchange knowledge and gain insight into how certification programmes are implemented in the countries in the region.

38. Following this study tour, the TVD developed a comprehensive curriculum for a RAC certification and diploma course; these courses are anticipated to be offered from January 2026. Simultaneously, trade testing is being planned as part of the Recognition of Prior Learning (RPL) initiative for practicing technicians. An assessment format for RPL for the safe handling of refrigerants is currently being finalized.

[8] Blanket approval decision

A pilot assessment involving 10 technicians, trained formally or through practical experience, will be conducted by the end of November 2025.

Secretariat's comments

39. The Government of Germany informed the Secretariat that the development of the safety standards for flammable refrigerants had been delayed due to administrative issues related to staffing at the LSI. The standards will be finalized by the LSI and enforced through the Ministry of Environment by the first quarter of 2026.

40. Additionally, the Government of Germany indicated that enforcement of the technician certification has been delayed and is expected to be implemented by the end of 2026.

Recommendation

41. The Executive Committee may wish to note the report on the status of adoption of safety standards for flammable refrigerants and the establishment of mandatory certification of technicians in line with decision 87/41(b) associated with stage II of the HCFC phase-out management plan for Lesotho, as submitted by the Government of Germany and contained in document UNEP/OzL.Pro/ExCom/97/17.

Pakistan: HCFC phase-out management plan (stage III – action plan related to the conversion of the enterprise Cool Point in the polyurethane foam sector) (UNIDO)

Background

42. At its 96th meeting, the Executive Committee requested UNIDO, on behalf of the Government of Pakistan, to submit to the 97th meeting a detailed action plan related to the conversion of the enterprise Cool Point in the polyurethane (PU) foam sector under stage III of the HPMP (decision 96/12(b)).

Action plan

43. In line with the decision, on behalf of the Government of Pakistan, UNIDO has submitted the action plan, as summarized below.

44. Of the US $107,993 approved under stage III of the HPMP for the conversion of Cool Point, US $16,000 was disbursed for consultancy services provided by national and international experts, as well as for project site visits conducted by officers from the national ozone unit.

45. Of the remaining US $91,993, UNIDO proposes to allocate US $20,000 in additional funding to Islam ud Din, a beneficiary enterprise that manufactures PU foam pipe insulation, for the procurement of complementary tools (e.g., smaller mixing head, dosing unit) to address technical challenges in manufacturing small-sized products using cyclopentane technology. This reallocation would increase the overall cost-effectiveness for the enterprise, which initially received US $160,000 in funding under stage III, from US $9.58/kg to US $10.78/kg of HCFC-141b phased out.[9]

46. The remaining US $71,993 is proposed to be utilized for the following activities aimed at sustaining the phase-out of HCFC-141b:

(a) Information outreach through five workshops and awareness-raising meetings for key foam sector stakeholders, including end users, manufacturers, importers, import agents, and customs authorities, with a focus on HCFC-141b regulations (US $22,000); experience

[9] As per decision 74/50, for foam enterprises that are consuming less than 20 mt and adopting low-GWP technologies, the cost-effectiveness threshold is US $10.96/kg of HCFC-141b phased out.

sharing on the adoption and technical aspects of low-global-warming-potential (GWP) alternatives in different foam applications (US $25,000); and project coordination and reporting (US $9,993); and

(b) Assessment and updates on viable low-GWP alternative technologies for different foam applications, including availability, technical and economic considerations, and environmental benefits (US $15,000).

Secretariat's comments

47. UNIDO confirmed that Cool Point will not seek further assistance, having ceased its manufacturing operations.

48. Regarding the need for additional support to Islam ud Din, UNIDO reported that the installation and handover of equipment planned under the project were completed in 2025. However, subsequent assessments revealed that further optimization was required for the smallest pipe insulation sections. The proposed reallocation seeks to address this requirement by providing additional support for the conversion from HCFC-141b.

49. The Secretariat requested clarification regarding the need for the additional activities proposed under the plan outlined in paragraph 46. In response, UNIDO explained that the Government of Pakistan has implemented regulations prohibiting the import of HCFC-141b (both pure and contained in imported pre-blended polyols) effective 31 January 2025. The remaining stocks of HCFC-141b are currently being utilized by the enterprises undergoing conversion to alternative technologies.

50. UNIDO further clarified that, in order to ensure more effective implementation of these regulations, the Government has identified the need for additional outreach activities to enable the industry to adopt alternatives in a systematic and expeditious manner. Furthermore, the industry requires additional technical guidance and market information on low-GWP alternatives for various applications (e.g., spray foam, PU foam, and foam for thermoware products). To address these needs, an updated assessment report on alternative low-GWP foam technologies is proposed and will include information on suitable technologies for different foam applications in Pakistan. This report will be developed primarily with support from local consultants, as well as international experts who will provide remote technical inputs. This initiative will not only facilitate the HCFC-141b phase-out among industrial enterprises but also promote information sharing and the adoption of alternatives in sectors that are currently or potentially using HFCs as foam blowing agents.

51. The Secretariat considers that this reallocation would assist the Government of Pakistan in the systematic phase-out of HCFC-141b in the foam sector, including the enforcement of regulations related to its import and use, while also promoting the adoption of low-GWP alternatives across various foam applications.

Recommendation

52. The Executive Committee may wish:

(a) To note the detailed action plan related to the conversion of the enterprise Cool Point in the polyurethane foam sector under stage III of the HCFC phase-out management plan for Pakistan, as submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/97/17;

(b) To note further that the enterprise Cool Point has ceased its manufacturing operations and that there was a remaining balance of US $91,993; and

(c) To approve the reallocation of the balance referred to in subparagraph (b) above, in the amount of US $20,000 to provide additional support to the enterprise Islam ud Din; and in the amount of US $71,993 to implement the activities outlined in paragraph 46 of document UNEP/OzL.Pro/ExCom/97/17, to facilitate the complete conversion of the foam sector from HCFC-141b (both pure and contained in pre-blended polyols) to alternative technologies.

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

Background

53. At its 95th meeting, the Executive Committee reached consensus on the template Agreement for stage I of Kigali HFC implementation plans (KIPs) (decision 95/90 and annex LVII of document UNEP/OzL.Pro/ExCom/95/94). The agreed template would need to be applied to all the KIPs already approved between the 92nd and 95th meetings. At its 96th meeting, the Executive Committee also reached consensus on the HFC cost funding guidelines (decision 96/50) providing more clarity on the starting point which has implications on the draft Agreements.

Secretariat's comments

54. To ensure consistency and accuracy of the draft Agreements between the respective Governments and the Executive Committee, the Secretariat prepared them based on the agreed template and the schedules of HFC phase-down commitments and funding tranches under KIPs approved between the 92nd and 95th meetings and made adjustments, where required, to:

(a) Paragraph 2, in line with decision 96/50(e) for low-volume consuming (LVC) countries with consumption only in servicing where the starting point is not applied, and for non-LVC countries where the starting point covers all HFCs together;

(b) Appendices 1-A and 2-A, to reflect those decisions which may vary for LVC countries with servicing, LVC countries with servicing and manufacturing, and non-LVC countries; and

(c) For non-LVC countries and LVC countries that also have manufacturing, Appendix 1-A and row 4 of Appendix 2-A, to include the text "To be determined" as these would only be finalized once discussions on the starting point for aggregate reductions in consumption, and thus the remaining eligible consumption, has been completed.

55. The revisions to the draft Agreements were discussed at the Inter-Agency Coordination Meeting[10]. Of the 54 KIPs approved between the 92nd to the 95th meeting, three are included in project proposals with tranche requests at this meeting, and one is excluded. Twenty-three draft Agreements were sent to lead agencies for their input and review, in particular Appendix 5-A on Monitoring Institutions and Roles where it was required to provide a detailed and credible indication of how progress is to be monitored, indicate which organizations will be responsible for the activities and the sustainability of consumption reduction targets achieved through the Agreement. Of the 23 draft Agreements sent to lead agencies, 14 are submitted for approval at this meeting and nine are pending finalization. Twenty-seven draft Agreements remain for

[10] Montreal, 9-11 September 2025

the Secretariat to review and send to lead agencies. The Secretariat notes with appreciation the efforts of all the implementing agencies for their review and validation of the Agreements.

56. The Secretariat is presenting 14 KIP draft Agreements for approval by the Executive Committee at the present meeting. The Secretariat will continue finalizing the remaining Agreements and present them for consideration of the Executive Committee at the 98th meeting. Table 5 presents the status of the finalization of the draft Agreements.

Table 5. Status of the finalization of the draft Agreements for stage I of KIPs approved from the 92nd to the 95th meeting

Status	Country
Submitted for approval by the Executive Committee (14)	Albania (annex I to the present document); Armenia* (annex II); Bolivia (Plurinational State of) (annex III); Burkina Faso (annex IV); Cameroon (annex V); Chile (annex VI); Colombia (annex VII); Congo (the) (annex VIII); Costa Rica (annex IX); Cuba (annex X); Dominican Republic (annex XI); Ecuador (annex XII); Guatemala (annex XIII); Honduras (annex XIV)
Sent to agencies and pending finalization (9)	Benin, Cambodia, Chad, Gambia (the), Mauritius, Mozambique, Rwanda, Saint Lucia, Sierra Leone
Secretariat to send to agencies (27)**	El Salvador, Eswatini (the Kingdom of), Ghana, Grenada, Jordan, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Malawi, Malaysia, Montenegro, Nigeria, North Macedonia, Pacific Island Countries, Panama, Paraguay, Peru, Senegal, Seychelles, Togo, Trinidad and Tobago, Tunisia, Türkiye, Uruguay, Viet Nam, and Zimbabwe

* Update also reflects the transfer of activities from UNEP to UNIDO (see paragraphs 64-76 of the present document).
** Excluding Nicaragua due to cancellation of Multilateral Fund supported projects (see paragraphs 77-84 of the present document), Mexico (see document UNEP/OzL.Pro/ExCom/97/60), the Niger (see document UNEP/OzL.Pro/ExCom/97/65), and Turkmenistan (see document UNEP/OzL.Pro/ExCom/97/81).

Recommendation

57. The Executive Committee may wish to approve:

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

(b) The draft Agreement between the Government of Armenia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex II to the present report;

(c) The draft Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex III to the present report;

(d) The draft Agreement between the Government of Burkina Faso and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex IV to the present report;

(e) The draft Agreement between the Government of Cameroon 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;

(f) The draft Agreement between the Government of Chile 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;

(g) The draft Agreement between the Government of Colombia 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;

(h) The draft Agreement between the Government of the Congo 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;

(i) The draft Agreement between the Government of Costa Rica 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;

(j) The draft Agreement between the Government of Cuba 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;

(k) The draft Agreement between the Government of the Dominican Republic 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;

(l) The draft Agreement between the Government of Ecuador 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;

(m) The draft Agreement between the Government of Guatemala 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; and

(n) The draft Agreement between the Government of Honduras 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.

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

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

Background

58. At its 96th meeting, the Executive Committee approved, on an exceptional basis, extension for the completion of the project for additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector in Kyrgyzstan, to 30 June 2025, on the understanding that there would be no further extension, and that UNEP, on behalf of the Government of Kyrgyzstan, would submit a final progress report on the implementation of the project to the 97th meeting (decision 96/13).

59. UNEP had confirmed that all activities are completed, funds have been disbursed, and it will submit to the 97th meeting a final progress report on the implementation of the project, and that the final report will include additional details about the outcomes of the project, such as lessons learned and recommendations

from the study tour, the final number of technicians and customs officers trained, and the outcomes of the study and impact assessment.[11]

60. In line with decision 96/13(c), UNEP, on behalf of the Government of Kyrgyzstan, has submitted a final progress report to the present meeting.

Progress report

61. The final progress report provided the information as required related to the outcome, activities and lessons learned from the project, as described below:

(a) The main objectives of the project, *inter alia*, improving coordination and collaboration among stakeholders to promote energy efficiency and the use of low-GWP refrigerants in refrigeration and air-conditioning (RAC) equipment, building stakeholder capacity through information sessions focused on energy efficiency and low-GWP refrigerants, and creating awareness among key stakeholders and the public, were achieved;

(b) The pilot project aimed to establish minimum energy performance standards (MEPS) and energy efficiency labelling for refrigeration equipment under 3 kW, including cold storage for produce, milk and meat coolers, and refrigerated transport. It was reported that a draft technical regulation for refrigeration equipment under 3 kW has been developed and will come into force on 1 January 2028 within the EAEU[12] territory including the related certification and labelling requirements. Meanwhile, all activities were aligned with legislation and standards of the EAEU and contributed to the monitoring/enforcement of the EAEU Technical Regulation 048/2019;[13]

(c) Training of the competent trade authority enabled the development of an action plan for compliance mechanisms, including conformity assessment, market inspections, reporting, and product registration systems. The total number of technicians and customs officers trained during the project is 352 (82 women) and 193 (50 women), respectively;

(d) Key learnings from the project include the challenge of conducting a conformity assessment due to the absence of certification laboratories in Article 5 countries, making implementation difficult. However, technical regulations can be developed using existing legal frameworks, and foreign standards may be adopted to accelerate progress. Compliance with energy efficiency standards is possible even without full technical capacity. Kyrgyzstan has introduced the Building Code 41-04:2022 to regulate imports of high-efficiency RAC equipment, and a resolution[14] offering tax and customs incentives for environmentally friendly products. Efforts to establish an Energy Efficiency Department in Kyrgyzstan have faced institutional resistance, and related proposals are still under review; and

(e) Lessons learned from the study tour to Belarus include the effectiveness of assigning a single competent authority for energy efficiency governance to reduce mandate overlaps, and the role of a centralized hub for standards, certification, and testing. The country's extensive use of international standards[15] ensures predictable requirements. Industry

[11] UNEP/OzL.Pro/ExCom/96/11
[12] Eurasian Economic Union
[13] EAEU Technical Regulation 048/2019, titled "On requirements for the energy efficiency of energy-consuming devices".
[14] Resolution 246/2025, titled "On approval of the pilot national classifier – Green Taxonomy of the Kyrgyz Republic".
[15] GOST (State Union Standard); STB (Belarus Standards); EN (European Standards); IEC (International Electrotechnical Commission); and ISO (International Organization for Standardization).

self-regulation through associations and technician training helps address skill gaps. Standardized labelling and consumer information enhance market transparency. Energy audits and management systems improve project quality and monitoring. Building energy efficiency is supported by detailed calculation methods and performance criteria. Heat supply and metering standards enable accurate supervision and tariff policy. Defined indicators and test methods for household and climate equipment support incentives and procurement. Gas and thermal equipment standards ensure safety and efficiency. Cold-chain logistics benefit from international protocols and contactless delivery models. Risks include overloading the normative base and limited lab capacity, suggesting the need for prioritization and parallel development of infrastructure and skills. Replicable actions for Kyrgyzstan include establishing a single-window coordination mechanism, launching voluntary certification and technician training, adopting labelling verification and standards lists, piloting contactless cold-chain processes, and adapting industry self-regulation and standards to local contexts.

Secretariat's comments

62. The Secretariat noted that the final report provided the information required, and that the project was completed by 30 June 2025 with 100 per cent fund disbursement.

Recommendation

63. The Executive Committee may wish to note the final progress report on the project for additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector in Kyrgyzstan, as submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/97/17.

D. Report related to multiple projects

Armenia: HCFC phase-out management plan (stage III) and Kigali HFC implementation plan (stage I) (change of implementing agency) (UNIDO and UNEP)

Background

64. On behalf of the Government of Armenia, UNIDO and UNEP as the lead and cooperating implementing agencies submitted a request for the transfer of cooperating agency components for stage III of the HCFC phase-out management plan (HPMP) and stage I of the Kigali HFC implementation plan (KIP) from UNEP to UNIDO and for UNIDO to become the designated implementing agency.[16] Subsequently, UNIDO and UNEP submitted a progress report on the implementation of the aforementioned projects, including funding disbursement and remaining activities.

65. At the 96th meeting, the Executive Committee inter alia approved, in principle, stage III of the HPMP for Armenia for the period 2025–2030 for the complete phase-out of HCFC consumption, in the amount of US $635,106, consisting of US $432,400, plus agency support costs of US $30,268, for UNIDO and US $152,600, plus agency support costs of US $19,838, for UNEP; and approved the first tranche, and the corresponding tranche implementation plan, in the amount of US $257,623, consisting of US $179,200, plus agency support costs of US $12,544, for UNIDO and US $58,300, plus agency support costs of US $7,579, for UNEP.[17] The activities planned for implementation by UNEP under stage III of the HPMP

[16] As per the letter of 10 September 2025 from the national ozone unit (NOU) of Armenia to the Secretariat.
[17] Decision 96/33.

include strengthening the legal and regulatory framework, capacity-building of customs and enforcement officers, and capacity-building of refrigeration and air-conditioning (RAC) technicians.[18]

66. At the 94th meeting, the Executive Committee inter alia approved, in principle, stage I of the KIP for Armenia for the period 2024–2029 to reduce HFC consumption by 10 per cent of the country's baseline by 2029, in the amount of US $203,400, consisting of US $114,000, plus agency support costs of US $14,820, for UNIDO and US $66,000, plus agency support costs of US $8,580, for UNEP; and approved the first tranche, and the corresponding tranche implementation plan, in the amount of US $186,535, consisting of US $99,075 plus agency support costs of US $12,880, for UNIDO and US $66,000, plus agency support costs of US $8,580, for UNEP.[19] The activities planned for implementation by UNEP under stage I of the KIP include capacity-building of customs and enforcement officers and RAC technicians.[20]

Progress report

Progress report on the implementation of the first tranche of stage III of the HCFC phase-out management plan

67. UNIDO reported that a national consultant has been hired to conduct a survey on technical capacity and awareness of servicing workshops regarding refrigerant recovery, recycling and reclamation (RRR). For procurement, the technical specification of additional tools and equipment for RRR has been prepared and tendering will start by the end of 2025. Furthermore, initial concepts for the establishment of a reclamation centre and refilling infrastructure have been developed and are under discussion. The technical specification for the procurement of tools and equipment for vocational schools will be developed by the end of 2025, after which the bidding process will start.

68. UNEP reported that no agreement has been signed for the first tranche of stage III of the HPMP.

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

69. UNIDO reported that national consultants have been hired to draft legislation for import bans, coordinate with stakeholders, and present the plans. A study on codes of practice for the safe management of technologies with low global-warming potential and a sectoral study on HFC consumption in the aerosol, solvent, firefighting, and foam sectors are being conducted. A purchase order for tools and equipment for training centres has been signed, with the equipment expected to arrive in November 2025. Furthermore, awareness-raising activities have been undertaken, including a visit to "Yerevan Beer" where industry specialists explored the benefits and applications of refrigeration systems using ammonia as a refrigerant.

70. UNEP reported that a small-scale funding agreement (SSFA) was signed with the Government of Armenia for the first tranche of the KIP and funds were transferred to UNDP Armenia. However, the NOU confirmed that no activities had been initiated. In view of the transfer request, UNEP has terminated the SSFA and the transferred funds will be returned to UNEP.

Level of fund disbursement

71. As of November 2025, of the US $237,500 approved for the first tranche of stage III of the HPMP (US $179,200 for UNIDO and US $58,300 for UNEP), US $3,746 had been disbursed by UNIDO and no disbursement has been made by UNEP; and of the US $165,075 approved for the first tranche of stage I of

[18] Paragraph 31 of document UNEP/OzL.Pro/ExCom/96/25.
[19] Decision 94/39.
[20] Paragraph 33 of document UNEP/OzL.Pro/ExCom/94/21.

the KIP (US $99,075 for UNIDO and US $66,000 for UNEP), US $38,454 have been disbursed by UNIDO and no disbursement has been made by UNEP.

Secretariat's comments

72. The Secretariat notes that the request to transfer the implementation of UNEP's components of stage III of the HPMP and stage I of the KIP to UNIDO was made following consultation and agreement among the relevant parties. UNIDO has confirmed that both projects will otherwise be implemented as approved at the 96th and 94th meetings, respectively.

73. The amounts to be transferred are detailed in table 6. The funds approved for UNEP for the first tranche of each project have not yet been disbursed. Consequently, UNEP will return these funds to the Multilateral Fund for subsequent transfer to UNIDO, and this has been addressed in the Report on balances and availability of resources.[21]

Table 6. Funds to be transferred to UNIDO for stage III of the HPMP and stage I of the KIP (US $)

Description	Agreed funding	Support costs	Total agreed costs
Stage III of the HPMP			
Funds approved (first tranche) (ARM/PHA/96/TAS/34)	58,300	4,081	62,381
Funds approved in principle (second and third tranches)	94,300	6,601	100,901
Total	**152,600**	**10,682**	**163,282**
Stage I of the KIP			
Funds approved (first tranche) (ARM/KIP/94/TAS/32)*	66,000	8,580	74,580
Total	**66,000**	**8,580**	**74,580**

* Stage I of the KIP included funding for UNEP in the first tranche only.

74. In view of the adjustment to agencies and reallocation of funds, the Agreement between the Government of Armenia and the Executive Committee for stage III of the HPMP has been updated; specifically, Appendix 2-A has been revised, and paragraph 17 has been added to indicate that the updated Agreement supersedes that reached at the 96th meeting (decision 96/33), as contained in annex XV to the present document. The full updated Agreement will be appended to the final report of the 97th meeting. Relevant changes are presented in table 7.

Table 7: Proposed reallocation of tranches for stage III of the HPMP for Armenia (US $)

Row	Particulars	2023*	2025	2026	2027	2028-2029	2030	Total
As approved at the 96th meeting								
2.1	Lead IA (UNIDO) agreed funding (US $)	0	179,200	0	210,700	0	42,500	432,400
2.2	Support costs for Lead IA (US $)	0	12,544	0	14,749	0	2,975	30,268
2.3	Cooperating IA (UNEP) agreed funding (US $)	100,000	58,300	0	78,300	0	16,000	252,600
2.4	Support costs for Cooperating IA (US $)	13,000	7,579	0	10,179	0	2,080	32,838
3.1	Total agreed funding (US $)	100,000	237,500	0	289,000	0	58,500	685,000
3.2	Total support costs (US $)	13,000	20,123	0	24,928	0	5,055	63,106
3.3	Total agreed costs (US $)	113,000	257,623	0	313,928	0	63,555	748,106
As revised at the 97th meeting								
2.1	Lead IA (UNIDO) agreed funding (US $)	0	**237,500**	0	**289,000**	0	**58,500**	**585,000**
2.2	Support costs for Lead IA (US $)	0	**16,625**	0	**20,230**	0	**4,095**	**40,950**

[21] UNEP/OzL.Pro/ExCom/97/4

Row	Particulars	2023*	2025	2026	2027	2028-2029	2030	Total
2.3	Cooperating IA (UNEP) agreed funding (US $)	100,000	**0**	0	**0**	0	**0**	**100,000**
2.4	Support costs for Cooperating IA (US $)	13,000	**0**	0	**0**	0	**0**	**13,000**
3.1	Total agreed funding (US $)	100,000	**237,500**	0	**289,000**	0	**58,500**	685,000
3.2	Total support costs (US $)	13,000	**16,625**	0	**20,230**	0	**4,095**	**53,950**
3.3	Total agreed costs (US $)	113,000	**254,125**	0	**309,230**	0	**62,595**	**738,950**

* Approved at the 93rd meeting for additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector under decision 89/6(b).

75. The Secretariat also introduced the adjustment to agencies and reallocation of funds for stage I of the KIP into the draft Agreement prepared for approval at the 97th meeting as per paragraphs 53-57 of the present document. The relevant changes are presented in table 8 below.

Table 8: Proposed reallocation of tranches for stage I of the KIP for Armenia (US $)

Row	Particulars	2023	2025	2026	2027	2028-2029	2030	Total
Approved at the 94th meeting								
2.1	Lead IA (UNIDO) agreed funding (US $)	99,075	0	0	14,925	0	0	114,000
2.2	Support costs for Lead IA (US $)	12,880	0	0	1,940	0	0	14,820
2.3	Cooperating IA (UNEP) agreed funding (US $)	66,000	0	0	0	0	0	66,000
2.4	Support costs for Cooperating IA (US $)	8,580	0	0	0	0	0	8,580
3.1	Total agreed funding (US $)	165,075	0	0	14,925	0	0	180,000
3.2	Total support costs (US $)	21,460	0	0	1,940	0	0	23,400
3.3	Total agreed costs (US $)	186,535	0	0	16,865	0	0	203,400
As revised at the 97th meeting								
2.1	Lead IA (UNIDO) agreed funding (US $)	**165,075**	0	0	14,925	0	0	**180,000**
2.2	Support costs for Lead IA (US $)	**21,460**	0	0	1,940	0	0	**23,400**
3.1	Total agreed funding (US $)	165,075	0	0	14,925	0	0	180,000
3.2	Total support costs (US $)	21,460	0	0	1,940	0	0	23,400
3.3	Total agreed costs (US $)	186,535	0	0	16,865	0	0	203,400

Recommendation

76. The Executive Committee may wish:

(a) To note the request by the Government of Armenia to transfer to UNIDO all activities included in stage III of the HCFC phase-out management plan (HPMP) and stage I of the Kigali HFC implementation plan (KIP) initially planned for implementation by UNEP;

(b) With regard to stage III of the HPMP:

(i) To note decision 97/-- on the return of balances by UNEP for the implementation of its first tranche;

(ii) To approve:

a) The transfer to UNIDO of the funding of US $58,300, plus agency support costs of US $4,081, to be included in its ongoing first tranche;

b) The transfer from UNEP to UNIDO of funding of US $94,300, plus agency support costs of US $6,601, approved in principle, associated with the second and third tranches;

(iii) To further note that the Fund Secretariat has updated the Agreement between the Government of Armenia and the Executive Committee for stage III of the HPMP, as contained in annex XV to the present document, specifically Appendix 2-A, on the basis of the transfer of UNEP's component to UNIDO, and paragraph 17, which has been added to indicate that the updated Agreement supersedes that reached at the 96th meeting (decision 96/33);

(c) With regard to stage I of the KIP:

(i) To note decision 97/-- on the return of balances by UNEP for the implementation of its first tranche;

(ii) To approve the transfer to UNIDO of the funding of US $66,000, plus agency support costs of US $8,580, to be included in its ongoing first tranche; and

(iii) That the Fund Secretariat has updated the schedule of HFC phase-down commitments and funding tranches under the Kigali HFC implementation plan for Armenia (decision 94/39), and incorporated the updated schedule into the draft Agreement between the Government of Armenia and the Executive Committee for stage I of the KIP, as presented in annex II of document UNEP/OzL.Pro/ExCom/97/17.

E. Report related to a request for cancellation of various projects

<u>Nicaragua: Request from the Government to cancel ongoing projects</u> (UNIDO)

Background

77. On 18 February 2025, UNIDO and UNEP received a request from the Ministry of Environment and Natural Resources of Nicaragua regarding the decision to finalize the following projects:

(a) Institutional strengthening (phase XI);

(b) HCFC phase-out management plan (HPMP) (stage II, second tranche) and verification report;

(c) Kigali HFC implementation plan (KIP) (stage I, first tranche);

(d) Pilot project to maintain and/or improve the energy efficiency of replacement technologies and equipment in the context of HFC phase-out; and

(e) Preparation of a national inventory of banks of waste-controlled substances and development of a plan for the management of these substances.

78. At the 96th meeting, the Executive Committee noted the request from the Government of Nicaragua and UNEP's return of funds for the following projects: NIC/EEF/92/TAS/50, NIC/SEV/92/INS/51, NIC/DES/93/PRP/52, NIC/EEF/93/DEM/54, NIC/KIP/93/TAS/55 and NIC/PHA/94/TAS/58. The Executive Committee also requested UNIDO to provide, at the 97th meeting, clarification on the status of projects in Nicaragua being implemented by UNIDO; and the Secretariat to follow up with the Government of Nicaragua on matters relating to Multilateral Fund-supported projects (decision 96/15).

Cancellation of projects implemented by UNIDO

79. On 1 August 2025, upon communication from the Government of Nicaragua, UNIDO clarified that all projects being implemented by UNIDO were to be cancelled, and submitted the project cancellation request to the Secretariat for the UNIDO components of the following projects:

(a) HPMP stage II, second tranche;

(b) HPMP stage II, second tranche – additional activities for energy efficiency;

(c) KIP stage I, first tranche;

(d) Pilot project to maintain and/or improve the energy efficiency of replacement technologies and equipment in the context of HFC phase-out; and

(e) Preparation of a national inventory of banks of waste-controlled substances and development of a plan for the management of these substances.

80. The associated return of unused fund balances is contained in document UNEP/OzL.Pro/ExCom/97/4.

Secretariat's comments

81. The Secretariat notes that the cancellation of all projects implemented by UNIDO represents the finalization of all projects funded by the Multilateral Fund in Nicaragua. The Secretariat also notes that the Government of Nicaragua submitted the country programme implementation report and the Article 7 data for the year 2024, and that the level of HCFC consumption reported was lower than both the Montreal Protocol and the maximum allowable consumption levels established in the HPMP Agreement between the country and the Executive Committee. The Secretariat understands that without the HPMP Agreement, the country would follow the Montral Protocol targets.

82. The Secretariat communicated with the Government of Nicaragua to confirm that the process of cancellation of UNIDO projects was ongoing. In its communication, the Secretariat noted that Nicaragua had ratified the Montreal Protocol and all its Amendments, and that it was one of the first countries to ratify the Kigali Amendment. The funds provided by the Multilateral Fund assist countries in achieving compliance with the provisions of the Montreal Protocol and building institutional support, which is helpful both for compliance with the Protocol and for the national implementation of projects. The Secretariat offered any required assistance or clarification regarding the projects supported by the Multilateral Fund before the Executive Committee cancelled the last projects for Nicaragua that would be considered at the 97th and 98th meetings.

83. Although no response had been received at the time of issuance of the present document, in the margins of the Thirty-Seventh Meeting of the Parties the Secretariat met with Nicaragua's national ozone officer, who verbally reiterated the country's commitment to the Montreal Protocol and indicated that an official response was underway.

Recommendation

84. The Executive Committee may wish:

(a) To note:

(i) That the Government of Nicaragua has confirmed cancellation of the following ongoing projects implemented by UNIDO: NIC/PHA/92/INV/48,

NIC/EEF/92/TAS/49, NIC/DES/93/PRP/53, NIC/EEF/93/DEM/56, and NIC/KIP/93/INV/57;

(ii) That funds for projects NIC/DES/93/PRP/53, NIC/EEF/93/DEM/56 and NIC/KIP/93/INV/57 have been returned by UNIDO at the 97th meeting, as listed in annex III of document UNEP/OzL.Pro/ExCom/97/4 (Report on balances and availability of resources);

(iii) That funds for projects NIC/PHA/92/INV/48 and NIC/EEF/92/TAS/49 will be returned by UNIDO at the 98th meeting; and

(b) To request the Secretariat to follow up with the Government of Nicaragua on matters relating to Multilateral Fund-supported projects.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ALBANIA 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 Albania ("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 795,464 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") 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 monitoring and evaluation work programmes 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	883,849	883,849	883,849	883,849	883,849	795,464	795,464	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	883,849	883,849	883,849	883,849	883,849	795,464	795,464	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		129,390	0	0	94,610	0	0	0	36,000	260,000
2.2	Support costs for Lead IA (US $)		16,821	0	0	12,299	0	0	0	4,680	33,800
2.3	Cooperating IA (UNEP) agreed funding (US $)		50,000	0	0	50,000	0	0	0	0	100,000
2.4	Support costs for Cooperating IA (US $)		6,500	0	0	6,500	0	0	0	0	13,000
3.1	Total agreed funding (US $)		179,390	0	0	144,610	0	0	0	36,000	360,000
3.2	Total support costs (US $)		23,321	0	0	18,799	0	0	0	4,680	46,800
3.3	Total agreed costs (US $)		202,711	0	0	163,409	0	0	0	40,680	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 Tourism and Environment in 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 HFC consumption verification undertaken by the Lead IA.

3. The Ministry of Tourism and Environment 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 CO_2-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 II

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ARMENIA 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 Armenia ("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 427,729 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

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

and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

<table>
<tr><th>Row</th><th colspan="2">Particulars</th><th>2024</th><th>2025</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>Total</th></tr>
<tr><td rowspan="2">1.1</td><td rowspan="2">Montreal Protocol reduction schedule of Annex F substances</td><td>%</td><td>freeze</td><td>freeze</td><td>freeze</td><td>freeze</td><td>freeze</td><td>10</td><td>n/a</td></tr>
<tr><td>CO_2-eq tonnes</td><td>475,254</td><td>475,254</td><td>475,254</td><td>475,254</td><td>475,254</td><td>427,729</td><td>n/a</td></tr>
<tr><td rowspan="2">1.2</td><td rowspan="2">Maximum allowable total consumption of Annex F substances</td><td>Reduction in %</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>10.0</td><td>n/a</td></tr>
<tr><td>CO_2-eq tonnes</td><td>475,254</td><td>475,254</td><td>475,254</td><td>475,254</td><td>475,254</td><td>427,729</td><td>n/a</td></tr>
<tr><td>2.1</td><td colspan="2">Lead IA (UNIDO) agreed funding (US $)</td><td>165,075</td><td>0</td><td>0</td><td>14,925</td><td>0</td><td>0</td><td>180,000</td></tr>
<tr><td>2.2</td><td colspan="2">Support costs for Lead IA (US $)</td><td>21,460</td><td>0</td><td>0</td><td>1,940</td><td>0</td><td>0</td><td>23,400</td></tr>
<tr><td>3.1</td><td colspan="2">Total agreed funding (US $)</td><td>165,075</td><td>0</td><td>0</td><td>14,925</td><td>0</td><td>0</td><td>180,000</td></tr>
<tr><td>3.2</td><td colspan="2">Total support costs (US $)</td><td>21,460</td><td>0</td><td>0</td><td>1,940</td><td>0</td><td>0</td><td>23,400</td></tr>
<tr><td>3.3</td><td colspan="2">Total agreed costs (US $)</td><td>186,535</td><td>0</td><td>0</td><td>16,865</td><td>0</td><td>0</td><td>203,400</td></tr>
</table>

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 Environment in 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 HFC consumption verification undertaken by the Lead IA.

3. The Ministry of Environment will be responsible for the sustainability of consumption reduction targets achieved through the Agreement.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

(a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;

(b) Assisting the Country in the preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

(c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan, consistent with Appendix 4-A;

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

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

(f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HFC consumption targets had been met;

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

(h) Carrying out the required supervision missions;

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

(j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;

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

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

(m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and of the consumption of Annex F substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $7.00 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 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 III

DRAFT 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 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") 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 monitoring and evaluation work programmes 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	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	0	78,500	0	0	25,000	257,000
2.2	Support costs for Lead IA (US $)		19,955	0	0	0	10,205	0	0	3,250	33,410
2.3	Cooperating IA (UNEP) agreed funding (US $)		40,500	0	0	0	20,000	0	0	7,500	68,000
2.4	Support costs for Cooperating IA (US $)		5,265	0	0	0	2,600	0	0	975	8,840
3.1	Total agreed funding (US $)		194,000	0	0	0	98,500	0	0	32,500	325,000
3.2	Total support costs (US $)		25,220	0	0	0	12,805	0	0	4,225	42,250
3.3	Total agreed costs (US $)		219,220	0	0	0	111,305	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 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 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 CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex IV

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BURKINA FASO 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 Burkina Faso ("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 735,075 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. 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 monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		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	1,049,523	1,049,523	1,049,523	1,049,523	944,571	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	22.2	22.2	22.2	22.2	30.0	n/a
		CO_2-eq tonnes	816,746	816,746	816,746	816,746	735,075	n/a
2.1	Lead IA (Germany) agreed funding (US $)		162,500	0	162,500	0	0	325,000
2.2	Support costs for Lead IA (US $)		21,125	0	21,125	0	0	42,250
3.1	Total agreed funding (US $)		162,500	0	162,500	0	0	325,000
3.2	Total support costs (US $)		21,125	0	21,125	0	0	42,250
3.3	Total agreed costs (US $)		183,625	0	183,625	0	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 Ministry of Environment, Water and Sanitation in 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 HFC consumption verification undertaken by the Lead IA.

3. The Ministry of Environment, Water and Sanitation will be responsible for the sustainability of consumption reduction targets achieved through the agreement

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

(a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;

(b) Assisting the Country in the preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

(c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan, consistent with Appendix 4-A;

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

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

(f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HFC consumption targets had been met;

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

(h) Carrying out the required supervision missions;

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

(j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;

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

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

(m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and of the consumption of Annex F substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $7.00 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. During the implementation of the Plan, the Government of Burkina Faso would be allowed, on an exceptional basis, to submit a project for the commercial refrigeration sector to achieve additional HFC reductions.

Annex V

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF CAMEROON 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 Cameroon ("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 3,335,300 CO_2-equivalent (CO_2-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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	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	4,760,203	4,760,203	4,760,203	4,760,203	4,760,203	4,284,183	4,284,183	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	21.1	21.7	24.5	25.0	28.9	29.4	30.0	n/a
		CO_2-eq tonnes	3,579,012	3,753,448	3,728,532	3,594,623	3,568,669	3,386,415	3,360,461	3,335,300	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		355,500	0	0	406,000	0	297,000	0	153,000	1,211,500
2.2	Support costs for Lead IA (US $)		24,885	0	0	28,420	0	20,790	0	10,710	84,805
3.1	Total agreed funding (US $)		355,500	0	0	406,000	0	297,000	0	153,000	1,211,500
3.2	Total support costs (US $)		24,885	0	0	28,420	0	20,790	0	10,710	84,805
3.3	Total agreed costs (US $)		380,385	0	0	434,420	0	317,790	0	163,710	1,296,305
4.1.1	Deduction of HFCs under this Agreement (CO_2-eq tonnes)										1,424,903
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 Ministry of Environment, Protection of Nature and Sustainable Development in the Country, is responsible for monitoring the progress of implementation of the activities and sustainability of achieved results.

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 Environment, Protection of Nature and Sustainable Development will be responsible for the sustainability of consumption reduction targets achieved through the agreement.

4. The Lead IA will support the Country in the monitoring of HFC imports. An independent consultant will be recruited by the Lead IA if required for the verification of the achievement. Annual report will be prepared by the NOU under the assistance of 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 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 $1.70 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of

Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex VI

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF CHILE 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 Chile ("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 6,028,296 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the "Lead IA") and UNEP has agreed to be the cooperating implementing agency/agencies (the "Cooperating IA[s]") 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 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	6,698,107	6,698,107	6,698,107	6,698,107	6,698,107	6,028,296	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	6,698,107	6,698,107	6,698,107	6,698,107	6,698,107	6,028,296	n/a
2.1	Lead IA (UNDP) agreed funding (US $)		752,607	0	0	566,133	0	0	158,971	1,477,711
2.2	Support costs for Lead IA (US $)		52,683	0	0	39,629	0	0	11,128	103,440
2.3	Cooperating IA (UNEP) agreed funding (US $)		123,900	0	0	115,900	0	0	14,200	254,000
2.4	Support costs for Cooperating IA (US $)		16,107	0	0	15,067	0	0	1,846	33,020
3.1	Total agreed funding (US $)		876,507	0	0	682,033	0	0	173,171	1,731,711
3.2	Total support costs (US $)		68,790	0	0	54,696	0	0	12,974	136,460
3.3	Total agreed costs (US $)		945,297	0	0	736,729	0	0	186,145	1,868,171
4.1.1	Deduction of HFCs under this Agreement (CO_2-eq tonnes)									847,086
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 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) of the Ministry of Environment shall be responsible for coordinating and monitoring the actions associated with each strategic line of the Plan through collaborating with various areas of the Ministry such as Air Quality and Climate Change Division, Legal Division, Studies and Environmental Economics Division, and Communications Division, among others; as well as with other Government agencies such as National Customs Service and Ministry of Health, among others.

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. To support the implementation of projects in different sectors, national and/or international consultants will be hired, if necessary, to implement the various activities and offer support to the NOU in coordination with key actors, including other Ministries, Agencies and the private sector.

4. The NOU will have the full support of the Government. The Ministry of Environment has ensured the adoption of the laws and the implementation of necessary national regulations to guarantee the country's compliance with the Montreal Protocol agreements. The Ministry of Environment in the government of Chile will be responsible for the sustainability of consumption reduction targets achieved through the agreement.

5. For the implementation of these projects, it is essential to continue to have the active participation of relevant public sector counterparts, such as the National Customs Service, which actively participates in the definition and implementation of import and export control processes of HCFC.

6. The Government of Chile has appointed UNDP to be the Lead IA to spearhead the implementation of HPMP, and has appointed UNEP as Cooperating IA. The Lead IA shall also have the overall responsibility of reporting to the Executive Committee, and of supporting the Country in the implementation of non-investment components that are not implemented by Cooperating IA.

7. Before each Executive Committee meeting is held to discuss a tranche to receive funding, the NOU will prepare a report on the status of activities and progress together with the Lead IA and with the help of the Cooperating IA, including the milestones and other key performance indicators, as well as any other information of interest for the implementation of KIP. This report will be reviewed and verified by the Lead IA and will then be sent to the Executive Committee through the Secretariat of the Multilateral Fund.

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 $4.09 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex VII

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF COLOMBIA 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 Colombia ("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 7,068,258 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

(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 the Government of Germany 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 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, 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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		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	8,652,982	8,652,982	8,652,982	8,652,982	8,652,982	7,787,684	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	0.0	18.3	n/a
		CO_2-eq tonnes	8,652,982	8,652,982	8,652,982	8,652,982	8,652,982	7,068,258	n/a
2.1	Lead IA (UNDP) agreed funding (US $)		2,554,986	0	0	1,715,974	0	0	4,270,960
2.2	Support costs for Lead IA (US $)		178,849	0	0	120,118	0	0	298,967
2.3	Cooperating IA (Germany) agreed funding (US $)		258,825	0	0	109,900	0	0	368,725
2.4	Support costs for Cooperating IA (US $)		33,647	0	0	14,287	0	0	47,934
2.5	Cooperating IA (UNEP) agreed funding (US $)		0	0	0	50,000	0	0	50,000
2.6	Support costs for Cooperating IA (US $)		0	0	0	6,500	0	0	6,500
3.1	Total agreed funding (US $)		2,813,811	0	0	1,875,874	0	0	4,689,685
3.2	Total support costs (US $)		212,496	0	0	140,905	0	0	353,401
3.3	Total agreed costs (US $)		3,026,307	0	0	2,016,779	0	0	5,043,086

Row	Particulars	2024	2025	2026	2027	2028	2029	Total
4.1.1	Deduction of HFCs under this Agreement (CO_2-eq tonnes)							1,584,724
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 Ministry of Environment and Sustainable Development (MinAmbiente) is the entity responsible for the coordination and management of programs and activities under stage I of the KIP. This ministry is supported by the Ozone Technical Unit (UTO), which is currently part of the Group of Chemical Substances and Hazardous Waste of the Sectorial, Urban and Environmental Affairs Direction.

2. The UTO works as an institution of a public character to coordinate activities of the Plan, supported by MinAmbiente and other government entities and implementing partners. Collaborations with further government entities and private associations also contribute to the development, monitoring, and implementation of the Plan and adherence to the Montreal Protocol.

3. Coordination and monitoring of the Plan will be accomplished through the operational monitoring of stage I activities, verification of funding disbursements, and the monitoring and assessment of implemented activities in advanced stages of the Plan. 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.

4. The Ministry of Environment and Sustainable Development coordinates all activities aimed at achieving and sustaining the commitments to reduce HFC consumption with different entities at the national level, including the National Environmental Licensing Authority (ANLA), the Ministry of Commerce, Industry and Tourism (MinCit), the National Tax and Customs Directorate (DIAN), the Ministry of Health and Social Protection, the Ministry of Mines and Energy, trade associations and the productive sectors.

5. The Ministry of 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 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 $5.92 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. That UNDP will include in progress reports submitted under the KIP the names and consumption of enterprises manufacturing HFC-based stand-alone commercial refrigeration equipment beyond the 27 enterprises assisted under the project, and that consumption will be deducted from the country's remaining HFC consumption eligible for funding when stage II of the KIP is submitted.

2. That UNDP would report on the quantity of HFCs phased out through carbon dioxide-based equipment manufactured by the enterprise Weston upon completion of the project, and that, if Weston phased out less than 5 metric tonnes of HFCs through the manufacture of carbon dioxide-based stand-alone refrigeration units, the enterprise would return to the Multilateral Fund, through UNDP, US $19.01/kg plus agency support costs for every kilogram not manufactured using carbon dioxide.

Annex VIII

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE CONGO 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 Congo ("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 258,932 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") 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 monitoring and evaluation work programmes 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	504,649	504,649	504,649	504,649	504,649	454,184	454,184	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	n/a	34.4	36.7	39.8	42.3	44.3	48.7	48.7	n/a
		CO_2-eq tonnes	304,964	330,903	319,196	303,718	291,384	281,270	258,932	258,932	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		67,750	0	0	96,500	0	0	0	12,750	177,000
2.2	Support costs for Lead IA (US $)		8,808	0	0	12,545	0	0	0	1,658	23,010
2.3	Cooperating IA (UNEP) agreed funding (US $)		13,750	0	0	27,500	0	0	0	9,750	51,000
2.4	Support costs for Cooperating IA (US $)		1,788	0	0	3,575	0	0	0	1,267	6,630
3.1	Total agreed funding (US $)		81,500	0	0	124,000	0	0	0	22,500	228,000
3.2	Total support costs (US $)		10,595	0	0	16,120	0	0	0	2,925	29,640
3.3	Total agreed costs (US $)		92,095	0	0	140,120	0	0	0	25,425	257,640

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 the Environment, Sustainable Development and the Congo Basin in the Country, is responsible for monitoring the progress of implementation of the activities and sustainability of achieved results.

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 the Environment, Sustainable Development and the Congo Basin in the government of the Republic of Congo will be responsible for the sustainability of consumption reduction targets achieved through the agreement.

4. The Lead IA will support the country in the monitoring of HFC imports. An independent consultant will be recruited by the Lead IA if required for the verification of the achievement. Annual report will be prepared by the NOU under the assistance of 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 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 CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex IX

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF COSTA RICA 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 Costa Rica ("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 1,305,719 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

(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 monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

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

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	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	1,450,799	1,450,799	1,450,799	1,450,799	1,450,799	1,305,719	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	1,450,799	1,450,799	1,450,799	1,450,799	1,450,799	1,305,719	n/a
2.1	Lead IA (UNDP) agreed funding (US $)		370,968	0	0	247,312	0	0	618,280
2.2	Support costs for Lead IA (US $)		46,807	0	0	31,204	0	0	78,011
3.1	Total agreed funding (US $)		370,968	0	0	247,312	0	0	618,280
3.2	Total support costs (US $)		46,807	0	0	31,204	0	0	78,011
3.3	Total agreed costs (US $)		417,775	0	0	278,516	0	0	696,291
4.1.1	Deduction of HFCs under this Agreement (CO2-eq tonnes)								211,395
4.1.2	Deduction of HFCs from previously approved projects (CO2-eq tonnes)								0
4.1.3	Remaining eligible consumption for HFCs (CO2-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 Environment and Energy (MINAE) is the authority responsible for the implementation of national actions related to the preservation of the ozone layer under the Montreal Protocol. The Directorate of Environmental Quality Management (DIGECA) is the focal point of the Montreal Protocol designated by the Ministry of Foreign Affairs and Worship and MINAE. DIGECA coordinates with other public institutions and organizations and with the private sector for the implementation of activities under stage I of the KIP´s. The roles and responsibilities of these institutions are described as follows:

(a) DIGECA is responsible for granting import licenses for controlled substances, distributing annual import quotas as established in the reduction schedule, and approving permits for the import and export of controlled substances, ensuring the sustainability of annual reductions and compliance with established commitments.

(b) Ministry of Finance and its customs offices are responsible for regulating international trade of controlled substances, monitoring imports and enforcing quotas together with other governing entities, and is in charge of public procurement;

(c) Ministry of Health is responsible for issuing the corresponding regulations for the use of controlled substances;

(d) Training and technical training institutions such as the National Institute of Learning (INA), the Ministry of Public Education (MEP), the Samuel Foundation, Public Universities will support strengthening of the technical capabilities of refrigeration and air-conditioning technicians and professionals;

(e) DIGECA will collaborate with the industrial chambers and associations (Chamber of Industries, Association of Industrial Technicians, Federated College of Engineers and Architects, Chamber of Commerce, Costa Rican refrigeration, air conditioning and ventilation chamber. (CCRAVE), among others) when dealing with overarching issues for the interest of the industry during the process of complete elimination of HFCs;

(f) DIGECA will also work with other Government departments responsible for the National Quality System, including the technical standards body, for updating and adoption of the technical standards and regulations required for the implementation of the Montreal Protocol; and

(g) The Lead IA will provide administrative, budgetary and financial monitoring necessary for the implementation of project activities.

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 $5.85 per CO_2-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. During the implementation of stage I of the KIP, the Country is encouraged to initiate the development of a strategic approach for the sustained phase-out of HFC consumption in the local assembly and installation subsector for commercial refrigeration, for possible inclusion within stage II of the KIP, that included consideration of incentives and policy measures to sustain the phase-out achieved and taking into account document UNEP/OzL.Pro/ExCom 95/89 discussed at the 95th meeting.

Annex X

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF CUBA 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 Cuba ("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 927,596 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan ("the Plan") as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

(a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes that would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

(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 monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

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

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2023	2024	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	freeze	freeze	10	n/a
		CO_2-eq tonnes	n/a	1,030,662	1,030,662	1,030,662	1,030,662	1,030,662	927,596	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	1,030,662	1,030,662	1,030,662	1,030,662	1,030,662	927,596	n/a
2.1	Lead IA (UNDP) agreed funding (US $)		160,000	0	0	130,000	0	0	35,000	325,000
2.2	Support costs for Lead IA (US $)		20,800	0	0	16,900	0	0	4,550	42,250
3.1	Total agreed funding (US $)		160,000	0	0	130,000	0	0	35,000	325,000
3.2	Total support costs (US $)		20,800	0	0	16,900	0	0	4,550	42,250
3.3	Total agreed costs (US $)		180,800	0	0	146,900	0	0	39,550	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. Supervision will be provided by the Ministry of Science Technology and Environment, through the Ozone Technical Office (OTOZ), part of Cubaenergía, with assistance from the Lead IA.

2. Consumption will be monitored and determined from official data, on the import and export of substances registered by the National Customs Directorate (DGA).

3. OTOZ will compile and report the following data and information each year 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 will be submitted to the Executive Committee of the Multilateral Fund.

4. 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.

5. The Ministry of Science Technology and Environment 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 Domestic Trade (MINCIN), the Ministry of External Trade (MINCEX), the Ministry of Public Health (MINSAP), the Ministry of Energy and Mines (MINEM), the National Customs Directorate (DGA), Office of Environmental Regulation and Safety (ORSA) and the productive sectors.

6. The Ministry of Ministry of Science Technology and Environment will be responsible for the sustainability of consumption reduction targets achieved through the agreement.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:

(a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;

(b) Assisting the Country in the preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

(c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan, consistent with Appendix 4-A;

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

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

(f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HFC consumption targets had been met;

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

(h) Carrying out the required supervision missions;

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

(j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;

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

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

(m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and of the consumption of Annex F substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $7.00 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS

1. During the implementation of stage I of the KIP, the Country will be allowed, on an exceptional basis, to submit investment projects in the refrigeration and air-conditioning sector to achieve additional HFC reductions.

2. A project to phase out HFCs contained in imported pre-blended polyols in the polyurethane foam sector in the Country 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 XI

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

Purpose

1. This Agreement represents the understanding of the Government of the Dominican 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 3,450,680 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

(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 and UNIDO 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, 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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	3,834,089	3,834,089	3,834,089	3,834,089	3,834,089	3,450,680	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	3,834,089	3,834,089	3,834,089	3,834,089	3,834,089	3,450,680	n/a
2.1	Lead IA (UNDP) agreed funding (US $)		365,106	0	0	368,223	0	0	60,839	794,168
2.2	Support costs for Lead IA (US $)		25,557	0	0	25,776	0	0	4,259	55,592
2.3	Cooperating IA (UNEP) agreed funding (US $)		120,774	0	0	103,272	0	0	45,903	269,949
2.4	Support costs for Cooperating IA (US $)		15,701	0	0	13,425	0	0	5,967	35,093
2.5	Cooperating IA (UNIDO) agreed funding (US $)		50,050	0	0	49,280	0	0	10,670	110,000
2.6	Support costs for Cooperating IA (US $)		4,505	0	0	4,435	0	0	960	9,900
3.1	Total agreed funding (US $)		535,930	0	0	520,775	0	0	117,412	1,174,117
3.2	Total support costs (US $)		45,763	0	0	43,636	0	0	11,186	100,585
3.3	Total agreed costs (US $)		581,693	0	0	564,411	0	0	128,598	1,274,702
4.1.1	Deduction of HFCs under this Agreement (CO2-eq tonnes)									383,409

Row	Particulars	2023	2024	2025	2026	2027	2028	2029	Total
4.1.2	Deduction of HFCs from previously approved projects (CO2-eq tonnes) *								6,323
4.1.3	Remaining eligible consumption for HFCs (CO2-eq tonnes)								TBD

* Noting that 4.01 mt (5,734.3 CO_2-eq tonnes) of HFC-134a and 0.15 mt (588.3 CO_2-eq tonnes) of R-404A would be deducted from the starting point for sustained aggregate reduction in HFCs once it has been established (decision 81/57)

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 Programme (PRONAOZ) of the Ministry of Environment and Natural Resources (MARN) shall be responsible for monitoring the progress of implementation of activities in the plan and coordinating the actions associated with each programme and projects through collaborating with various areas of the Ministry; as well as with other government agencies such as the General Customs Directorate of the Ministry of Treasury, between others.

2. The MARN in the Country will be responsible for the sustainability of consumption reduction targets achieved through the agreement.

3. To support the implementation of projects in different sectors, national and/or international consultants will be hired, if necessary, to implement the various activities and offer support to the PRONAOZ in coordination with key actors, including other Ministries, Agencies and the private sector.

4. PRONAOZ have the full support of the Government. The MARN has ensured the adoption of the laws and the implementation of necessary national regulations to guarantee the country's compliance with the Montreal Protocol agreements.

5. For the adequate implementation of these projects, it is essential to continue to have the active participation of relevant public sector counterparts, such as the General Customs Directorate, which actively participates in the definition and implementation of import and export control processes of HCFC.

6. 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.

7. The Lead IA shall have the overall responsibility of reporting to the Executive Committee, and of supporting the Country in the implementation of the non-investment components that are not implemented by the Cooperating IA.

8. Before each Executive Committee meeting is held to discuss a tranche to receive funding, PRONAOZ will prepare a report on the status of activities and progress together with the Lead IA and with the help of the Cooperating IA, including the milestones and other key performance indicators as well as any other information of interest for the implementation of the Plan. This report will be reviewed and verified by the Lead IA and will then be sent to the Executive Committee through the Secretariat of the Multilateral Fund.

9. A project coordinator will be hired with funding from the project monitoring unit, and they will report to the national ozone officer. The project coordinator will coordinate the daily activities in the project and will assure that all activities are in line with the approved work 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 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 $6.69 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex XII

DRAFT 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 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

(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 monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

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

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
HFCs	To be determined (TBD)

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	364,414	0	0	72,930	997,829
2.2	Support costs for Lead IA (US $)		18,752	20,482	0	0	25,509	0	0	5,105	69,848
3.1	Total agreed funding (US $)		267,885	292,600	0	0	364,414	0	0	72,930	997,829
3.2	Total support costs (US $)		18,752	20,482	0	0	25,509	0	0	5,105	69,848
3.3	Total agreed costs (US $)		286,637	313,082	0	0	389,923	0	0	78,035	1,067,677
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

* Conversion of one commercial and domestic refrigerator manufacturing line at the enterprise Induglob, approved by decision 91/59 to phase out 14,901 CO_2-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 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 Minister of Production, Foreign Trade, Investment and Fishery (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 the activities related to the implementation of the country programme for the HFC phase-down in the Country;

(b) To monitor and control the Montreal Protocol controlled substances consumption;

(c) To disseminate data and pertinent information to all the interested parties, and to inform on the requirements of the Montreal Protocol;

(d) To promote awareness of the HFC and HFC alternatives issues;

(e) To report to the Ozone Secretariat, Multilateral Fund Secretariat, and to the implementing agencies about the consumption and phase-out of the HFC consumption in the Country; and

(f) To coordinate and implement projects for the substances controlled by the Montreal Protocol in the Country 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 the activities of the components within the Plan, including detailed activity design, audit of the parties involved, identification and selection of the beneficiaries, contracting of goods and services, continuous technical assistance to the 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 report of results of the monitoring, and organization of the corresponding meetings for review and management of the monitoring;

(e) Design and implementation of the corrective measures; and

(f) Regular implementation of activities of technical assistance to the project beneficiaries.

4. The Plan will be managed by a dedicated team that consists of a coordinator that will be designated by the MPCEIP and has the support of the representatives and experts of the Lead IA and the necessary support infrastructure. The component of support to the management and update of the legal instruments of the Plan will include the following activities:

(a) Management and coordination of the implementation of the Plan;

(b) Establishment of a policy development and application programme to allow the Government to exercise the required mandates and ensure the industry fulfilment with the obligations of the HFC reduction;

(c) Development and implementation of training, awareness and capacity building activities to ensure a high-level commitment to the Plan objectives and obligations; and

(d) Preparation of annual implementation plans including the determination of the sequence of participation of the beneficiaries 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 CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex XIII

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF GUATEMALA 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 Guatemala ("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 1,024,695 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") 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 monitoring and evaluation work programmes 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	10	n/a
		CO_2-eq tonnes	1,217,998	1,217,998	1,217,998	1,217,998	1,096,198	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	15.9	n/a
		CO_2-eq tonnes	1,217,998	1,217,998	1,217,998	1,217,998	1,024,695	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		251,019	0	121,019	0	31,019	403,057
2.2	Support costs for Lead IA (US $)		17,571	0	8,471	0	2,171	28,213
2.3	Cooperating IA (UNEP) agreed funding (US $)		10,000	0	85,573	0	30,000	125,573
2.4	Support costs for Cooperating IA (US $)		1,300	0	11,124	0	3,900	16,324
3.1	Total agreed funding (US $)		261,019	0	206,592	0	61,019	528,630
3.2	Total support costs (US $)		18,871	0	19,595	0	6,071	44,537
3.3	Total agreed costs (US $)		279,890	0	226,187	0	67,090	573,167
4.1.1	Deduction of HFCs under this Agreement (CO_2-eq tonnes)							193,303
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 Ministry of Environment and Natural Resources the Country (MARN), through the National Ozone Unit (NOU), which operates under the Department for the Environmentally Sound Management of Chemicals and Hazardous Waste, will serve as the coordinating authority for the implementation of the

Plan at the national level. The NOU will be responsible for coordinating national authorities, key stakeholders, and the implementing and cooperating agencies; overseeing the execution of project activities; and reporting on progress in alignment with the Plan Agreement. The NOU will submit annual progress reports to the Lead IA, outlining the status of implementation, key achievements, constraints, and recommendations for corrective action.

2. With the support of technical consultants, and in collaboration with the Lead IA and Cooperating IA, the NOU will ensure the effective implementation of the Plan. This includes managing and monitoring the national HFC licensing and quota system, tracking project components, and facilitating coordination with other relevant national initiatives. The NOU will actively engage with competent institutions to secure compliance with relevant national regulations and promote alignment with the Plan objectives. If deemed necessary, independent verification of implementation will be carried out by a consultant designated by the Lead IA.

3. To ensure the long-term sustainability of the reductions in HFC consumption achieved under the Plan, the following institutions will be involved:

(a) Superintendency of Tax Administration (SAT): Through the Customs Directorate, will continue to enforce the HFC licensing and quota system, monitor imports and exports of HFCs and related equipment, and ensure ongoing capacity-building for customs officials on emerging alternatives and control measures; and

(b) MARN – Environmental Regulation and Control Units: Will contribute to the oversight and enforcement of environmental regulations related to the use and management of HFCs and promote inter-institutional cooperation for policy implementation.

4. These institutions, in close coordination with the NOU and implementing agencies, will be essential to ensuring that the reductions achieved through the Plan are sustained beyond the duration of the project through regulation, institutional capacity, continued training, and stakeholder engagement.

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 $5.47 per CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex XIV

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF HONDURAS 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 Honduras ("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 1,223,456 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.

2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA") 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 monitoring and evaluation work programmes 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, 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
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	10	n/a
		CO_2-eq tonnes	1,449,723	1,449,723	1,449,723	1,449,723	1,304,751	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	15.6	n/a
		CO_2-eq tonnes	1,449,723	1,449,723	1,449,723	1,449,723	1,223,456	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		226,918	0	178,000	0	27,292	432,210
2.2	Support costs for Lead IA (US $)		15,885	0	12,460	0	1,910	30,255
2.3	Cooperating IA (UNEP) agreed funding (US $)		70,000	0	65,000	0	30,000	165,000
2.4	Support costs for Cooperating IA (US $)		9,100	0	8,450	0	3,900	21,450
3.1	Total agreed funding (US $)		296,918	0	243,000	0	57,292	597,210
3.2	Total support costs (US $)		24,985	0	20,910	0	5,810	51,705
3.3	Total agreed costs (US $)		321,903	0	263,910	0	63,102	648,915
4.1.1	Deduction of HFCs under this Agreement (CO_2-eq tonnes)							226,267
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

2. 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 Secretariat of Natural Resources and Environment (SERNA), through the National Ozone Unit (NOU), will be the national coordinating entity responsible for the effective implementation and oversight of the Plan. The NOU will lead the coordination with national authorities, regulatory and enforcement bodies, key sectoral stakeholders (including industry and servicing sector representatives), and the Lead IA and the Cooperating IA. Its responsibilities will include ensuring that project implementation remains aligned with national strategies and obligations under the Kigali Amendment and the Agreement with the Executive Committee. The NOU will submit detailed annual progress reports to the Lead IA, covering

technical, regulatory, and institutional achievements, challenges encountered, lessons learned, and proposed corrective actions.

2. To strengthen technical oversight, the NOU will work closely with national and international consultants specialized in project monitoring and implementation. This technical support will assist the NOU in planning, supervising, and validating activities related to HFC phase-down, including:

(a) Administration and enforcement of the national HFC licensing and quota system;

(b) Monitoring and evaluation of the implementation of individual project components;

(c) Collection and analysis of consumption data for reporting and policy planning; and

(d) Coordination with related climate and energy-efficiency initiatives to ensure policy coherence and maximize synergies.

3. In collaboration with the Lead IA and Cooperating IA, the NOU will ensure that implementation follows the approved work plan and adheres to reporting and accountability requirements set by the Multilateral Fund.

4. Furthermore, the NOU will proactively engage with relevant institutions such as the national customs administration, technical regulatory bodies, environmental enforcement agencies, national training institutes, and private sector actors. This engagement is critical to ensure compliance with national regulations, institutionalize best practices, and build long-term technical and administrative capacity for the continued reduction of HFC consumption.

5. The monitoring of HFC consumption levels and verification of sustained reductions will be carried out jointly by SERNA, through the NOU, and the national customs authority. SERNA will be responsible for tracking aggregate national consumption, overseeing licensing and quota compliance, and reporting to the Multilateral Fund. The customs authority will monitor and report on imports and exports of HFCs and related equipment, enforce border controls in accordance with the national licensing system, and ensure that illegal or non-compliant trade is identified and addressed. This dual mechanism will help ensure the accuracy and integrity of consumption data and the long-term enforceability of phase-down measures.

6. If deemed necessary, an independent verification of project implementation—including progress on policy, capacity-building, and sustained reductions in consumption—will be conducted by a third-party consultant designated by the Lead IA, in accordance with the guidelines and reporting frameworks of the Multilateral Fund.

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 CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently, confiscated, destroyed, exported, or returned to the country of origin.

Annex XV

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ARMENIA 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

(Relevant changes are in bold font for ease of reference)

17. **This updated Agreement supersedes the Agreement reached between the Government of Armenia and the Executive Committee at the 96th meeting of the Executive Committee.**

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2023**	2025	2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	2.28	2.28	2.28	2.28	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	2.28	2.28	2.28	2.28	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)	0	**237,500**	0	**289,000**	0	**58,500**	**585,000**
2.2	Support costs for Lead IA (US $)	0	**16,625**	0	**20,230**	0	**4,095**	**40,950**
2.3	Cooperating IA (UNEP) agreed funding (US $)	100,000	**0**	0	**0**	0	**0**	**100,000**
2.4	Support costs for Cooperating IA (US $)	13,000	**0**	0	**0**	0	**0**	**13,000**
3.1	Total agreed funding (US $)	100,000	**237,500**	0	**289,000**	0	**58,500**	685,000
3.2	Total support costs (US $)	13,000	**16,625**	0	**20,230**	0	**4,095**	**53,950**
3.3	Total agreed costs (US $)	113,000	**254,125**	0	**309,230**	0	**62,595**	**738,950**
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							2.34
4.1.2	Phase-out of HCFC-22 to be achieved under previously approved projects (ODP tonnes)							4.66
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							0
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)							0
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved under previously approved projects (ODP tonnes)							0.83
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)							0

* Date of completion of stage II as per stage II Agreement: 31 December 2021.
** Approved at the 93rd meeting for additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector under decision 89/6(b).