

Annex XLVII

**DRAFT DECISION ON AGENDA ITEM 13(c):
DRAFT GUIDELINES FOR THE PREPARATION OF HFC PHASE-DOWN PLANS FOR
ARTICLE 5 COUNTRIES
(WORKING TEXT)**

The Executive Committee may wish:

- (a) To note document UNEP/OzL.Pro/ExCom/86/88 on the draft guidelines for the preparation of HFC phase-down plans [Kigali/HFC implementation plan/KHMP] for Article 5 countries;
- (b) To include in the funding for the preparation of an overarching strategy for stage I of the HFC phase-down assistance [building upon HCFC phase-out management plans (HPMPs)] for:
 - (i) [An overview of] [Updating] [Extending the existing] [The development] of legislation, policies and regulations [for import/export] as required to extend the existing operational import/export licensing and quota systems to controlled substances under Annex F (HFCs) of the Montreal Protocol, and [to ensure limits [to prevent growth] including measures for reduction in HFC consumption sustained over time] on growth or reductions in HFC consumption that were sustained over time;
 - (ii) The carrying out of a survey of HFC consumption [and production where applicable] and their sectoral distribution [taking into account previous surveys conducted], and [comprehensive] surveys, [and national inventory] of enterprises in the manufacturing and servicing sectors, with analysis of the data to estimate the HFC baselines for compliance;
 - (iii) The development and finalization of the overarching strategy for stage I of the HFC phase-down plan to address the freeze and 10 per cent reduction in HFC consumption [taking into account the potential efficiency of integrated and parallel implementation with HPMPs];
 - (iv) The development of a strategy and plan of action related to the refrigeration servicing sector [taking into account the potential efficiency and opportunities for synergies of integrated and parallel implementation with HPMPs] particularly for those Article 5 countries where the majority of the HFC consumption is in this sector;
 - (v) [Integrated compliance strategy (UNEP/OzL.Pro/ExCom/86/87);]
 - (vi) [Description of national initiatives, framework, actors and institutional capacity to enhance energy efficiency in the refrigeration and air-conditioning sector;]
- (c) To provide funding [to Article 5 countries that have ratified Kigali Amendment] for the elements described in sub-paragraph (b)(i) to (iv) above as specified in the table below, based on the country's HCFC consumption baseline:

HCFC baseline (ODP tonnes)	Funding for preparation of stage I of the HFC phase-down plan (US \$)
Below 1	100,000
1 and up to 6	130,000
Above 6 and up to 20	170,000
Above 20 and up to 100	190,000
Above 100 and up to 1,000	220,000
Above 1,000 and up to 2,000	230,000
Above 2,000	case by case

[Discount for previous surveys conducted]

[For those countries which have not ratified the Kigali Amendment but included commitment to ratify, to approve in principle and withhold funding until ratification]

- (d) To determine and provide funding for the preparation of stage I of any regional HFC phase-down plans and those countries with an HCFC baseline consumption above 2,000 ODP tonnes on a case-by-case basis;
- (e) [For countries that choose to implement individual HFC investment projects in advance of submission of stage I of the HFC phase-down plans, the approval of each project should result in a phase-out of HFCs to count against the eligible consumption identified in the HFC phase-down plan and should indicate how the investment project would relate to meeting the overarching strategy for the country, and when the HFC phase-down plan would be submitted;]
- (f) To provide funding for any Article 5 country with a manufacturing sector using HFCs according to the number of manufacturing enterprises to be converted in line with decision 56/16(d) and (f), as follows:
 - (i) One enterprise to be converted in a manufacturing sector: US \$30,000;
 - (ii) Two enterprises to be converted in a manufacturing sector: US \$60,000;
 - (iii) Three to 14 enterprises to be converted in a manufacturing sector: US \$80,000;
 - (iv) Fifteen or more enterprises to be converted in a manufacturing sector: US \$150,000; and
 - (v) To limit the maximum funding provided for the preparation of the investment component for any country according to the table below:

HCFC baseline (ODP tonnes)	Funding limit (US \$)
Up to 100	100,000
101–300	200,000
301–500	250,000
501–1,000	300,000
1,001 and above	400,000

- (g) To request bilateral and implementing agencies, when submitting stage I of the HFC phase-down plans on behalf of Article 5 countries, to include:

- (i) Confirmation that the country has an established and enforceable national system of licensing and quotas for monitoring HFC imports/exports in place, consistent with decision 63/17;
 - (ii) [The Government's commitment [specific actions to be included in the plan] to ensure limits on growth in HFC consumption and to sustained over time the phase-out of HFCs achieved;]
 - (iii) [HCFC and HFCs integrated work for the servicing sector;]
 - (iv) [Overview of activities previously funded;]
 - (v) [Institutional capacity; and]
- (h) To request the Secretariat to prepare, with the assistance of the bilateral and implementing agencies, a Guide for preparation of stage I of HFC phase-down plans that could be used by Article 5 countries.