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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-eighth Meeting
Montreal, 22–26 June 2026
Item 8(d) of the provisional agenda¹

PROJECT PROPOSAL: TUNISIA

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- | | | |
|---|--------------------------|--------------------------|
| <ul style="list-style-type: none">• HCFC phase-out management plan (stage III, first tranche) | UNIDO, UNEP
and Italy | Individual consideration |
|---|--------------------------|--------------------------|

¹ UNEP/OzL.Pro/ExCom/98/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Tunisia

PROJECT TITLE	AGENCY
HCFC phase-out management plan (stage III)	UNIDO (lead), UNEP and the Government of Italy

ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	14.98 ODP tonnes
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COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2025
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					11.99		11.99

CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	40.7	Starting point for sustained aggregate reductions:	45.68
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	32.49	Remaining:	12.88

* Excluding 0.31 ODP tonnes of HCFC-141b and HCFC-142b since there is no more consumption in the country

ENDORSED BUSINESS PLAN		2026	2027	2028	Total
UNIDO	ODS phase-out (ODP tonnes)	5.00	4.00	0.00	9.00
	Funding (US \$)	466,900	373,520	0	840,420
UNEP	ODS phase-out (ODP tonnes)	0.00	0.00	0.00	0.00
	Funding (US \$)	50,000	0	0	50,000

PROJECT DATA AS AGREED			2026	2027	2028	2029	2030	Total
Consumption (ODP tonnes)	Montreal Protocol limits		13.2	13.2	13.2	13.2	0.0	n/a
	Maximum allowable		11.00	9.00	6.75	4.25	0.0	n/a
Project costs requested in principle (US \$)	UNIDO	Project costs	201,478	0	385,141	0	91,880	678,499
		Support costs	14,103	0	26,960	0	6,432	47,495
	UNEP	Project costs	72,000	0	72,000	0	41,500	185,500
		Support costs	9,360	0	9,360	0	5,395	24,115
	Government of Italy	Project costs	350,000	0	0	0	0	350,000
		Support costs	45,500	0	0	0	0	45,500
Total amounts recommended in principle (US \$)		Project costs	623,478	0	457,141	0	133,380	1,213,999
		Support costs	68,963	0	36,320	0	11,827	117,110
		Total funds	692,441	0	493,461	0	145,207	1,331,109

Request for funding for the first tranche (2026)		
Implementing agency	Funds recommended (US \$)	Support costs (US \$)
UNIDO	201,478	14,103
UNEP	72,000	9,360
Government of Italy	350,000	45,500
Total	623,478	68,963

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

Background

1. On behalf of the Government of Tunisia, UNIDO as the lead implementing agency has submitted a request for stage III of the HCFC phase-out management plan (HPMP), at a total cost of US \$1,264,189, consisting of US \$615,957, plus agency support costs of US \$43,117 for UNIDO, US \$185,500, plus agency support costs of US \$24,115 for UNEP and US \$350,000, plus agency support costs of US \$45,500 for the Government of Italy, as originally submitted.² The submission includes a verification report on HCFC consumption for 2025. The implementation of stage III of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage III of the HPMP being requested at this meeting amounts to US \$690,325, consisting of US \$199,500, plus agency support costs of US \$13,965, for UNIDO, US \$72,000, plus agency support costs of US \$9,360, for UNEP and US \$350,000, plus agency support costs of US \$45,500, for the Government of Italy, as originally submitted.

Status of implementation of stage II of the HCFC phase-out management plan

3. Stage II of the HPMP for Tunisia was approved at the 84th meeting³ to phase out 16.87 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector and 5.02 ODP tonnes HCFC-141b contained in imported pre-blended used in the foam manufacturing sector to meet the 67.5 per cent reduction from the baseline by 2025, at a total cost of US \$1,564,946, plus agency support costs. As stipulated in the Agreement between the Government of Tunisia and the Executive Committee, stage II of the HPMP was expected should be completed by 31 December 2026. The country is requesting an extension to 31 December 2027, as presented in paragraphs 17 to 19.

Report on HCFC consumption

4. The Government of Tunisia reported under the country programme (CP) implementation report a consumption of 11.99 ODP tonnes of HCFCs in 2025, which is 71 per cent below the HCFC baseline for compliance. The Article 7 data for 2025 has not been reported yet. The 2021–2025 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Tunisia (2021–2025 Article 7 data)

HCFC	2021	2022	2023	2024	2025*	Baseline
Metric tonnes (mt)						
HCFC-22	376.18	375.40	325.16	272.31	218.08	709.34
HCFC-123	0.00	0.00	0.00	0.00	0.00	n/a
HCFC-141b	0.00	0.00	0.00	0.00	0.00	14.57
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.55
Total (mt)	376.18	375.40	325.16	272.31	218.08	724.46
HCFC-141b in imported pre-blended polyols*	14.50	14.50	14.50	14.50	0	**45.64
ODP tonnes						
HCFC-22	20.69	20.65	17.88	14.98	11.99	39.01
HCFC-123	0.00	0.00	0.00	0.00	0.00	n/a
HCFC-141b	0.00	0.00	0.00	0.00	0.00	1.61
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.04
Total (ODP tonnes)	20.69	20.65	17.88	14.98	11.99	40.66
HCFC-141b in imported pre-blended polyols*	1.60	1.60	1.60	1.60	0.00	**5.02

* CP data

** Starting point established in the Agreement with the Executive Committee

² As per the letter of 6 March 2026 from the Ministry of Environment of Tunisia to UNIDO.

³ Decision 84/63

5. As reported at the 97th meeting,⁴ the consumption of HCFC-22 has been declining since 2020 due to activities being implemented in the RAC servicing sector, the implementation of the licensing and quota system, and the elimination of HCFC-22 in the RAC manufacturing sector. A small quantity of HCFC-123 was consumed in 2020 for use in the food industry as a refrigerant for chillers but has not been imported since. The consumption of HCFC-141b contained in pre-blended polyols from 2020 to 2024 was related to use by two polyurethane (PU) foam manufacturing enterprises; as of January 2025, both enterprises have converted to alternative technology under stage II of the HPMP. The import of HCFC-141b in bulk has been banned since 1 January 2020.

Country programme implementation report

6. The Government of Tunisia 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.

Verification report

7. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports, and that the total consumption of HCFCs reported in the CP for 2025 was correct (as shown in table 1 above). The verification report was not able to confirm whether there had been imports of HCFC-141b contained in imported pre-blended polyols. The verification report included recommendations, which are discussed in paragraphs 29 to 32 and concluded that Tunisia had a comprehensive legal and institutional framework for the control of HCFCs and had respected the maximum allowable consumption for HCFCs for 2025.

Status of progress and disbursement

Legal framework

8. The Government of Tunisia continues to implement an electronic licensing and quota system for HCFC imports. The licensing and quota system for controlling imports and exports of HFCs has been operational since 1 January 2024. The Harmonized System (HS) codes were updated in 2023 to align with the 2022 codes of the World Customs Organization, which did not include a separate classification for pre-blended polyols containing HCFC-141b. The national ozone unit (NOU) is reviewing the customs codes to assign a specific code for HCFC-141b in pre-blended polyols, which is expected to be in effect in early 2026. Three decrees are undergoing Government review, including a decree establishing a certification system for RAC technicians, a decree prohibiting the import, manufacture, and assembly of HCFC-based equipment and the import of HCFC-141b contained in pre-blended polyols, and a decree defining the role of the National Ozone Committee (NOC). In addition, a decree on life-cycle refrigerant management (LRM), covering recovery, recycling, reclamation, destruction, and end-of-life management, was drafted for submission to the Minister of Environment in 2026.

9. Under stage II of the HPMP, a code of practice for RAC technicians has been under development, covering the latest technology developments and safety issues when dealing with alternative refrigerants, which is expected to be finalized by December 2026. A total of 83 customs and enforcement officers (including five women) received training on the control and identification of ODS and ODS-based equipment, the prevention of illegal trade, and the proper use of the HS codes, and six refrigerant identifiers were provided to environmental inspectors at the National Agency of Environmental Protection (ANPE).

⁴ UNEP/OzL.Pro/ExCom/97/80

Manufacturing sector

10. Stage II of the HPMP included the phase-out of 7.38 ODP tonnes (67 mt) of HCFC-141b contained in pre-blended polyols in two PU foam manufacturing enterprises. The conversions at the enterprises GAN and Le Panneau were completed in December 2021 and January 2025, respectively.⁵ Both enterprises have agreed not to revert to using HCFC-141b in pre-blended polyols.

Refrigeration servicing sector

11. Under stage II of the HPMP, a national inventory of RAC equipment was conducted in cooperation with the RAC association, and the data collected was incorporated into a national RAC inventory database to improve the management of training programmes and to guide future planning for the certification system. The guide on RAC servicing codes and standards was updated, and eight comprehensive training manuals were developed to support the national RAC technician certification system.

12. Furthermore, under stage II of the HPMP, two sets of RAC servicing tools and equipment⁶ were delivered to a training centre and to a specialized maritime fisheries training centre in Kelibia to support hands-on training of RAC technicians, including safe refrigerant recovery, leak testing, and system maintenance. Additionally, 12 refrigerant identifiers were distributed to the ATRC (Tunisian Association of Refrigeration and Air-conditioning) and five RAC training centres.

13. The business model for the HCFC recovery, recycling, and reclamation (RRR) system was developed under the first tranche of the HPMP and revised under the second tranche to take into account the ratification of the Kigali Amendment. Awareness-raising activities were also conducted, including the distribution of informational brochures highlighting progress and commitments under the HPMP.

14. As of March 2026, a total of 141 RAC trainers (including 16 women) received certification under the pilot technician certification scheme based on European Union Regulation 2067/2015; and a total of 487 RAC technicians (including 22 women) received training on good practices for refrigerant handling and management during the implementation of stage II of the HPMP.

Project implementation and monitoring

15. A project management unit (PMU) operates under the supervision of the NOU comprising one coordinator and technical experts are engaged as needed.

Level of fund disbursement

16. As of March 2026, of the US \$1,564,946 approved for stage II, US \$1,155,250 had been disbursed (US \$979,250 for UNIDO and US \$176,000 for UNEP).⁷ The balance of US \$409,696 will be disbursed by 31 December 2026.

⁵ Phasing out 5.78 ODP tonnes (52.5 mt) of HCFC-141b in pre-blended polyols at GAN and 1.6 ODP tonnes (14.5 mt) at le Panneau, as reported in paragraph 11 of document UNEP/OzL.Pro/ExCom/92/40 and paragraph 9 of document UNEP/OzL.Pro/ExCom/97/80, respectively.

⁶ Which included refrigerant recovery and recycling units; vacuum pumps; manifold gauge sets; leak detectors; electronic scales; thermometers; pressure gauges; cutting and flaring tools; tube benders; safety equipment such as gloves and goggles; basic electrical tools and multimeters; and training boards with accessories for practical exercises.

⁷ At 97th meeting a higher disbursement for UNIDO was reported in the first and second tranches, for a total of US \$985,072 disbursed, which UNIDO explained included both actual disbursements and obligations, whereas the figures reported in the present document reflect actual disbursements only.

Request for extension

17. Since the approval of the third tranche at the 97th meeting, substantive progress, as reflected in paragraphs 8 to 14, has been made in the implementation of the remaining stage II activities. However, the adoption of the regulatory decree, including the decree to establish technician certification has been slower than expected. This has been explained as the result of the complexity of Tunisia's interministerial review process, which requires multiple rounds of consultation and clearance among relevant ministries before final approval, including ANPE, the Ministry of Environment, and the Prime Minister's Office. Without the regulation in place, some of the remaining activities for the establishment of the certification system were not able to proceed as planned.

18. The activities remaining to be completed include finalizing the national certification programme for RAC trainers and technicians, including testing materials; training of 200 technicians in good refrigerant management practices following approval of the decree; signing of the agreements with the two enterprises selected to host the RRR centres; completing the deployment of equipment to established the RRR system; and organizing a study tour by the end of 2026 for RRR centre representatives and the NOU.

19. Accordingly, the Government of Tunisia is requesting an extension of the date of completion of stage II to 31 December 2027 to allow sufficient time to complete the remaining activities and confirming that no further extension shall be requested beyond this date.

Stage III of the HCFC phase-out management plan

Remaining consumption eligible for funding

20. After deducting 27.78 ODP tonnes⁸ of HCFCs and 5.02 ODP tonnes of HCFCs contained in imported pre-blended polyols associated with stages I and II of the HPMP, the remaining consumption eligible for funding in stage III amounts to 12.88 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

21. There are approximately 20,000 technicians, including 17,000 in the formal sector and 3,000 in the informal sector, and 5,300 workshops operating in the servicing sector, consuming HCFC-22 to service residential and commercial air-conditioning (AC) systems, chillers, commercial stand-alone and condensing refrigeration units and centralized refrigeration systems, industrial refrigeration and transport refrigeration systems, as shown in table 2. In 2024, HCFC-22 represented 34.0 per cent of refrigerants used in the servicing sector, along with HFC-134a (29.3 per cent), R-410A (16.3 per cent), R-404A (15.9 per cent), R-407A (2.8 per cent) HFC-32 (1.1 per cent), and HFC-227ea (0.5 per cent).

Table 2. Estimation of demand for HCFC-22 in the RAC servicing sector in Tunisia

Sector/Application		Equipment inventory	Estimated leakage rate (%)	Consumption (mt)
Commercial refrigeration*	Stand-alone	14,800	30	10
	Condensing units			10
	Centralized systems			30
Industrial refrigeration*		2,500	25	21
Transport refrigeration		2,900	45	4
Residential AC		665,300	20	157
Commercial AC		5,000	20	32
Chillers		600	20	8
Total		691,100	n/a	272

*Excluding the fisheries related facilities where leakage rate is estimated around 50 per cent.

⁸ Including 0.27 ODP tonnes of HCFC-141b and 0.04 ODP tonnes of HCFC-142b as there is no more consumption in the country

Phase-out strategy

22. Stage III of the HPMP will focus on eliminating the use of HCFC-22 in the RAC servicing sector by operationalizing a nationwide refrigerant recovery infrastructure; implementing demonstration projects in the fisheries and food cold storage sectors to build confidence in zero-ODP and low-global-warming-potential (GWP) alternatives; and continuing to strengthen regulatory support, technician training and certification on low-GWP refrigerants.

Proposed activities

23. Activities proposed for implementation in the servicing sector under stage III and in the first tranche and their cost breakdown are presented in table 3.

Table 3 Servicing sector activities and their costs under stage III of the HPMP for Tunisia, as submitted

Project component and activities	Agency	Cost (US \$)	
		Stage	First tranche
Component 1: Regulatory framework and control mechanism			
1.1 Regulatory support: Support the implementation of existing draft regulations and new regulatory measures including by organizing coordination meetings and workshops with relevant public authorities and private-sector stakeholders.	UNIDO	10,279	4,000
1.2 National assessment to develop a consumption management strategy: Conduct a national assessment for the HCFC maintenance period (2030–2040), to be submitted with the final tranche, including analysis of the remaining HCFC-22 servicing demand, review of the regulatory and enforcement framework, and development a management strategy.	UNIDO	25,000	0
1.3 Digitalization of the quota application and reporting system for importers: Develop an electronic tool to enable the processing of import, export, and transit documents between traders, customs authorities, banks, and other government agencies, including technical assessment and system design, software development, integration testing and validation, user training and support, and system enhancement.	UNIDO	15,000	15,000
1.4 Provision of refrigerant identifiers to customs officers: Procure five refrigerant identifiers for customs officers at border posts and environmental inspectors at ANPE.	UNIDO	30,000	0
1.5 Training for customs officers and environmental inspectors: Train a total of 460 customs officers (target of 10 per cent women) over 23 workshops (target of 6 per annum).	UNEP	115,000	46,000
Subtotal component 1		195,279	65,000
Component 2: Capacity building			
2.1 Training of certifiers: Train a total of 40 examiners (target of 5 per cent women) over six sessions on the certification process, including theoretical and practical instruction, as well as procedures for administering and evaluating certification tests.	UNIDO	14,000	14,000
2.2 Training and certification of trainers: Two training sessions for F-gas certification of 30 trainers and 10 training sessions for 100 trainers at Agency of Professional Training (ATFP) vocational training centres (target of 10 per cent women).	UNIDO	68,000	34,000

Project component and activities	Agency	Cost (US \$)	
		Stage	First tranche
2.3 Training of RAC technicians and professionals, including sales representatives, consulting engineers and architects: Train 282 RAC technicians and professionals over 18 sessions on technical best practices, safe handling of refrigerants, refrigerant recovery and leak prevention, energy efficiency, and the transition to low-GWP alternatives; conduct a diagnostic study and action plan to encourage women's participation in the RAC sector; and implement a programme to support the enrolment of women in RAC-related vocational and training programmes.	UNEP	70,500	26,000
	UNIDO	35,000	20,000
<i>Subtotal component 2</i>		<i>187,500</i>	<i>94,000</i>
Component 3: Supply of equipment			
3.1 Provision of equipment and tools for RAC training institutes: Support seven training institutions (including one university, three ATFP ⁹ vocational training centres, and three specialized fisheries training centres). ¹⁰	UNIDO	200,000	0
3.2 Equipment and tools for RAC servicing enterprises: Provision of recovery, leak detection, evacuation, charging, and safety equipment and tools for 12 RAC servicing enterprises to build capacity in the sound management of low-GWP refrigerants and to form part of the RRR network; prioritization of women technicians in the selection of beneficiaries. ¹¹	UNIDO	114,000	56,000
3.3 Establishment of two RRR centres: Procurement, installation and training on equipment and tools and the selection of the servicing or installation enterprises for the operation of the RRR centres (target initial processing capacity of 15 mt per annum). ¹²	Government of Italy	200,000	200,000
<i>Subtotal component 3</i>		<i>514,000</i>	<i>256,000</i>
Component 4: Demonstration projects			
4.1 Demonstration of R-290 cold room refrigeration units in three food cold storage facilities: Replacement of existing HCFC-based cold storage equipment to R-290 refrigeration monobloc units in the food sector including the coordination and selection of beneficiaries, procurement and installation of monoblocs, collection and proper disposal of old devices; monitoring of energy efficiency and performance, and the dissemination of results.	Government of Italy	90,000	90,000

⁹ Tunisian Agency of Professional Training.

¹⁰ Including for each location one AC training bench, refrigeration training bench, hydrocarbon leak detector, ATEX fan, ATEX vacuum pump, copper tube crimping tool, and refrigerant analyser; two pressure test ramps, digital manifolds, electronic scales, vacuum gauges, HCFC and HFC leak detectors, clamp meters, differential thermometers, and ATEX HCFC/HFC recovery stations; and four recover cylinders as well as one training bench on a CO₂ refrigeration system and one training bench on an absorption cooling for two centres.

¹¹ Each set of tools and equipment would include: an ATEX recovery station, digital manifold, HCFC and HFC leak detector, hydrocarbon leak detector, Vacuum gauge, 50kg electronic scale, ATEX vacuum pump, 10 recovery cylinders and other tools and equipment.

¹² Including transfer pump for recovered/contaminated refrigerant, scale to check filling level of storage tanks and refrigerant identifier, gas chromatograph, Karl Fischer moisture tester, hot water dispenser, cylinder rack, and an industrial vacuum pump; two 1,000 lbs. storage tanks and recovery units with filter module; three 123 lbs. recovery tanks; eight 47.6 lbs. recovery tanks; and a set of laboratory equipment (sampling lines, syringes, small balance, thermometer, inspection camera, valve tools, basic consumables).

Project component and activities	Agency	Cost (US \$)	
		Stage	First tranche
4.2 Demonstration of R-290 ice machines for the fisheries sector: Replacement of existing HCFC-22-based ice-making systems in a small or medium fishing enterprise, including coordination and beneficiary selection; R-290 ice-making machine equipment, training, installation and maintenance; collection and disposal of old equipment; monitoring of energy efficiency and performance; and dissemination of results.	Government of Italy	60,000	60,000
<i>Subtotal component 4</i>		<i>150,000</i>	<i>150,000</i>
Subtotal project activities for stage III		1,046,779	565,000
Project coordination, monitoring, evaluation and reporting			
Project management activities (see paragraph 24)	UNIDO	104,678	56,500
<i>Subtotal</i>		<i>104,678</i>	<i>56,500</i>
Total UNIDO		615,957	199,500
Total UNEP		185,500	72,000
Total Government of Italy		350,000	350,000
Grand total		1,151,457	621,500

Project implementation and monitoring

24. The system established under stages I and II of the HPMP will continue into stage III, with the NOU and UNIDO monitoring activities and reporting on progress and the PMU managing the implementation, coordination and management of activities. The cost of monitoring and coordination activities amounts to US \$104,678 for UNIDO, including consultants (US \$37,700), travel (US \$22,000), meetings and consultations (US \$22,000), monitoring and reporting (US \$14,600) and administrative and incidental costs (US \$8,378).

Total cost of stage III of the HCFC phase-out management plan

25. The total cost of stage III of the HPMP for Tunisia has been estimated at US \$1,151,457 (plus agency support costs), comprising of US \$1,046,779 for project costs and US \$104,678 for the PMU, as originally submitted, for achieving a 100 per cent reduction by 2030. The proposed activities and cost breakdown are summarized in table 3 above.

Implementation plan for the first tranche of stage III of the HCFC phase-out management plan

26. The first funding tranche of stage III of the HPMP in the total amount of US \$621,500, as originally submitted will be implemented between July 2026 and June 2028. Detailed information on the activities included in the first tranche, indicating adjustments made and the level of funds agreed, is presented in paragraph 61 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Stage II of the HCFC phase-out management plan

27. The Secretariat noted that the country's HCFC consumption in 2025 is below the target set in the Agreement with the Executive Committee, that substantial progress has been made in implementing the third tranche approved at the 97th meeting and remaining activities from the previous tranches and that UNIDO confirmed all outstanding activities will be implemented expeditiously.

28. UNIDO further explained that a legal expert has been engaged to revise the certification decree based on comments from relevant governmental bodies, with a revised version and stakeholder consultations planned for the second quarter of 2026. Training and certification of the 200 RAC technicians planned under the third tranche will proceed once the decree is adopted, which is expected in 2026. The remaining RRR activities are expected to be completed by the end of 2026. The Secretariat considers that the requested extension of implementation of the HPMP to 31 December 2027 would facilitate the country in completing all the remaining activities.

Stage III of the HCFC phase-out management plan

29. The Secretariat reviewed stage III of the HPMP in light of stages I and II, stage I of the Kigali HFC implementation plan (KIP), the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decisions 74/50 and 90/31), and the 2026–2028 business plan of the Multilateral Fund.

Verification report

30. During the verification, the NOU could not confirm whether there had been imports of HCFC-141b contained in pre-blended polyols. This was due to the current use of two different tariff codes for this type of product.¹³ In the verification report for the years 2021 and 2022, it was recommended to assign a tariff code to the polyols containing HCFC-141b for the correct control of imports and for the effective implementation of the future ban on the import of this material. The verifier therefore recommended that the NOU continue working on this recommendation.

31. UNIDO clarified that the two PU foam manufacturing enterprises that previously used HCFC-141b contained in pre-blended polyols have not declared any further imports of this material, as reflected in the 2025 CP report. Since the use has been phased out, an import quota for pre-blended polyols containing HCFC-141b was not allocated for 2026. A ban on the import of HCFC-141b contained in pre-blended polyols is currently in the process of approval as part of the draft decree banning the manufacturing, assembly and import of RAC equipment containing HCFCs.

32. Additionally, it was recommended that the NOU consider allotting an annual quota which is slightly lower than the maximum allowable consumption in the country's Agreement with the Executive Committee in order to avoid a potential excess of imports. UNIDO explained that the Government of Tunisia has set the HCFC import quotas for 2026 at 11.00 ODP tonnes (200.00 mt), in line with the maximum allowable consumption in the country's Agreement with the Executive Committee and 17 per cent below the Montreal Protocol compliance schedule. However, the NOU holds 0.50 mt as a non-distributed, reserve and the remaining 199.50 mt have been allocated to importers.

Overarching strategy

33. The Government of Tunisia proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030, and to maintain a maximum annual consumption of HCFCs in the period of 2030 to 2040 at a level consistent with Article 5, paragraph 8 ter(e)(i), of the Montreal Protocol.¹⁴ The first two stages of Tunisia's HPMP successfully phased out HCFC-22 in manufacturing and HCFC-141b in the foam and solvent sectors, leaving remaining consumption concentrated in the RAC servicing sector. The transition to low-GWP alternatives in the servicing sector is challenged by several barriers including limited local

¹³ Code 38271100009 for mixtures containing CFCs, including HCFCs and PFCs or HFCs and code 38272000000 for mixture not containing CFCs, but containing HCFCs, PFCs, and HFCs.

¹⁴ HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

availability of suitable equipment and insufficient technical capacity among service technicians, persistent safety concerns regarding flammable refrigerants, and the higher upfront cost of new equipment.

34. Stage III of the HPMP is designed to address these barriers through a range of activities. Two RRR centres will be established to operationalize a nationwide recovery infrastructure, reducing dependence on virgin HCFC imports and supporting the environmentally sound management of controlled substances. Demonstration projects will be implemented in two priority subsectors, fisheries and food cold storage, where HCFC-22 use remains significant and where practical evidence is needed to build confidence in R-290-based equipment as a technically and economically viable alternative. Stage III will also support the implementation of regulatory measures, including the technician certification scheme, which are currently under review, expand technician training on low-GWP refrigerants, provide servicing enterprises with tools and equipment to expand the RRR network, and support focused training for the fisheries sector.

35. Based on discussions with the Secretariat regarding the best approaches to mitigate leakage of RAC equipment beyond standard training and certification, UNIDO, in consultation with the NOU, agreed to introduce a dedicated component on leak detection and monitoring and make adjustments to planned activities and costs as necessary. The component is intended to generate a robust, evidence-based foundation for integrating leak monitoring into servicing practices and the regulatory framework for the post-2030 period. The proposed activities and details of the new component are included in paragraph 58 and table 5.

36. The Government of Tunisia also commits to reduce the remaining HCFCs in an accelerated manner, by 73 per cent of the country's baseline by 2026, 78 per cent by 2027, 83 per cent by 2028 and 90 per cent by 2029.

37. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Tunisia agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040, and, if Tunisia intended to have consumption in the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030.

Legal framework

38. Regarding progress made on the regulatory instruments for banning the manufacturing, assembly, and import of RAC equipment containing HCFCs, which were reported as under review in the submission of the last tranche of stage II of the HPMP at the 97th meeting, UNIDO clarified that following comments received from the relevant ministries during the interministerial review, an updated version of the draft decree was finalized in April 2026, and an explanatory memorandum is being prepared for resubmittal of the package to the Prime Minister's Office for adoption.

Sector distribution of HCFCs

39. Noting the importance of the fisheries sector to the national economy and food security, the Secretariat requested information on the capacity of the sector in Tunisia in terms of type of installations, estimated population of equipment, and types of refrigerants being used. UNIDO provided details about the fisheries cold chain in Tunisia, which is concentrated on the eastern and northern coast. Based on the consultations and surveys conducted during project preparation, the sector relies on HCFC-22 in about 79 per cent of applications consisting of primarily of shore-based ice-making facilities, cold storage and processing

units with the other 21 per cent of equipment using R-404A. The sector is estimated to have used 14 mt of HCFC-22 in 2024.¹⁵

Technical and cost-related issues

40. As submitted, funding of stage III of the HPMP was based on the country's 2025 consumption of 218.08 mt (11.99 ODP tonnes) reported under the CP data. The Secretariat and UNIDO discussed the needs in the country to ensure the sustainability of HCFC phase-out, including the integration of leak monitoring into servicing practices and the regulatory framework and noting the proposed accelerated HCFC phase-out described in paragraph 36 above. Based on this, it was agreed to use the country's 2023-2025 average consumption, 271.85 mt (14.95 ODP tonnes), to determine the consumption for the project, consistent with the decision in paragraph 32(b) of document UNEP/OzL.Pro/ExCom/16/20. However, as the remaining consumption eligible for funding after stages I and II was 234.18 mt (12.88 ODP tonnes) this resulted in a maximum funding of US \$1,213,999, including 8 per cent for the PMU, as further detailed below.

Component 1: Regulatory framework and control mechanism

41. In relation to the regulatory support, and noting that stage II of the HPMP and stage I of the KIP included substantial funding compared to what is being requested under this component, UNIDO clarified that stage II activities aimed to develop the HCFC regulatory framework, which is now in place or under the final stage of interministerial review, including the RAC technician certification decree, the LRM and RRR decree, the decree banning HCFC-based equipment, and the decree strengthening the legal framework of the NOC. The support under stage I of the KIP focuses on developing the HFC regulatory framework, including equipment labelling regulation under the licensing system and the development of regulations targeting end users, such as mandatory reporting through logbooks and the GWP-based taxation of HFC imports together with green public procurement, which are currently underway. Support under stage III of the HPMP is intentionally more limited, as the regulatory framework has largely been drafted in previous stages. The activities focus on finalizing the interministerial review and adoption of the draft decrees and their operationalization, including coordination meetings, stakeholder workshops, and advocacy work on the update of the safety standard on commercial refrigeration appliances.¹⁶

42. In relation to the difference between the regulatory and policy measures presented in activities 1.1 and 1.2 of the proposal, UNIDO explained that the first activity addresses the near-term regulatory actions until 2030, including import controls and equipment bans, while the latter is forward-looking, focusing on developing the regulatory and policy framework for managing the servicing tail period from 2030–2040, including an analysis of the remaining HCFC-22 servicing demand and installed base expected after 2030, a review and gaps analysis of the existing regulatory, institutional, and enforcement framework, the operationalization of the recommendations from the demonstrations for replication, and developing a practical consumption management strategy for 2030–2040, including roles, responsibilities, monitoring, verification and risk-mitigation.

43. Noting that refrigerant identifiers for customs training had been provided under stage II of the HPMP and stage I of KIP, the Secretariat requested additional information on enforcement capacity, including the number of authorised inspectors and inspection points. UNIDO explained that border controls are handled by the General Directorate of Customs, and domestic enforcement by the ANPE environmental inspectorate. The country has approximately 30 official entry points with imports of refrigerants entering primarily through three of its major ports¹⁷ and the Tunis-Carthage international airport. Refrigerant identifiers are being deployed at the key border points and at selected RAC servicing workshops and training centres. The

¹⁵ Not including tunnel freezers, blast freezers, and on-board refrigeration in fishing trawlers that typically operate short-range trips with no or modest refrigeration systems.

¹⁶ NT 81.05-2-89 (2007): Specifies particular safety requirements for commercial refrigeration appliances.

¹⁷ Rades, Sfax, and Bizerte

Tunisian customs administration comprises approximately 7,000 officers across the country, of whom several hundred are assigned to key ports in posts involving the handling refrigerant imports. The ANPE environmental inspectorate comprises approximately 250 staff, including a specialised body of 30 expert controllers authorised to record environmental violations. The cumulative training target across the three projects covers approximately 885 officers and inspectors.

Component 2: Capacity building

44. As for the national certification scheme, UNIDO clarified that the national certification scheme for RAC technicians is expected to become operational in 2026. Once in place, the training programme will be aligned with the certification requirements so that technicians completing the training will follow the certification process directly as part of their training. The certification of certifiers and trainers will be sequenced in the first tranche of stage III of the HPMP to ensure that this alignment takes effect early. Only a limited number of technicians are expected to be trained before the scheme becomes operational, and the modalities for recognizing their prior training, whether through an assessment, a complementary module, or other arrangements, will be defined as part of the final steps of the certification system design.

45. Regarding the training supported under previous stages of the HPMP, stage I of the KIP and under the proposed activities for stage III, UNIDO provided an overview of the training institutions supported, and of the trainers and technicians trained or targeted, as shown in table 4 below. Training is delivered on a cross-sectoral basis, given that technicians in Tunisia typically service several application types.

Table 4: Overview of training institutions supported, and trainers/technicians trained or targeted under stages of the HPMP and KIP

Type of support		HPMP stage I	HPMP stage II	KIP stage I	Subtotal approved projects	HPMP stage III (proposed)	Total
Institutions equipped	ATFP vocational school	4	1	5	10	3	13
	Fisheries training centre	0	1	0	1	3	4
	University	0	0	0	0	1	1
Trainers trained	ATFP trainers	60	0	0	60	100	160
	Certified F-gas	0	141	0	141	*30	*141
	MAC**	0	0	45	45	0	45
Technicians trained	RAC	522	487	1,000	2,009	282	2,291
	MAC**	0	0	150	150	0	150

* 30 trainers to be recertified

** Mobile air-conditioning

Component 3: Supply of equipment

46. Regarding the provision of equipment and tools for the various types of RAC training institutes and fishing training centres, the Secretariat requested an analysis of the type of support provided and proposed, and the justification for the CO₂ and absorption training rigs. UNIDO indicated that across the stages of the HPMP and KIP, 10 ATFP vocational training centres and one fisheries training centre have been supported with equipment and tools for RAC training and servicing, and additional five ATFP centres and the ATRC received refrigerant identifiers. With stage III of the HPMP, the total will be extended to 13 out of the 35 ATFP vocational training centres offering RAC-related qualifications, one university, and four of the eight specialized fisheries training centres in Tunisia, as shown in table 4 above. Regarding the request for a CO₂ training bench and an absorption training bench, the objective is to strengthen Tunisia's training capacity for zero- and low-GWP refrigerants and not-in-kind alternatives, noting that CO₂ trans-critical technology is on an upward trend globally, and Tunisia's market has more than 600 supermarkets operated

by major retail groups, several of which are subsidiaries of international groups that already deploy CO₂ systems in their European store networks. Similarly, absorption cooling represents a practical not-in-kind alternative for applications where industrial waste heat is available and can potentially be used in conjunction with Tunisia's solar thermal capacity as the technology matures. Therefore, it is essential to familiarize the sector with both technologies and ensure readiness for wider deployment to support sustained transition towards low-GWP technologies in the related sectors.

47. Regarding the provision of equipment and tools for RAC servicing enterprises, UNIDO provided additional details on the RAC workshops supported under previous stages of the HPMP and KIP. Of the approximately 5,400 RAC workshops, 30 have been or will receive support under the previously approved projects, while an additional 12 would be supported under the proposed project. Of those already supported, 20 were equipped to support the RRR network. With a few exceptions, technicians and servicing enterprises in Tunisia typically service multiple application types. The MAC subsector is the only clearly distinct subsector, addressed under stage I of the KIP, in which five workshops will be supported. Specific support under the stage III includes five refrigerant identifiers and an equipment kit with an indicative cost of US \$7,000 per enterprise.

48. The Secretariat discussed with UNIDO the proposed support to establish two RRR centres, taking into account the discussion at the 97th meeting and feasibility study revised under the second tranche of stage II of the HPMP,¹⁸ and enquired about the distinction between the RRR procurement under stage II and the proposed activity under stage III. Four reclamation units already available prior to initial activities in stage II will be installed at the two RRR host enterprises under stage III. Under stage II of the HPMP, basic recovery and recycling equipment has been procured to establish two RRR centres¹⁹ and associated recovery networks, with the selection of host enterprises expected to be complete in 2026. Stage III will build on this with the provision of advanced quality-control tools,²⁰ and training, with a proposed cost of US \$200,000 with implementation planned for 2026–2030. The capacity to provide in-kind contributions will be an eligibility criterion applied during the selection of the two hosts. The specific contributions, valuation and milestones will be set out in the hosting agreement signed between the NOU, UNIDO and each enterprise during the first tranche, and reported back as part of the tranche implementation report.

49. UNIDO shared with the Secretariat, in consultation with the country, the final business model report, confirming the technical and financial viability of the scheme over the period 2026–2030, with reclaimed refrigerant priced below virgin refrigerants and processing costs estimated in line with comparable centres in the region. The report identifies a maximum annual capacity of around 50 mt per centre, based on full-time operation of the regeneration equipment available in the country. Activity 3.3 of stage III is designed based on a more conservative initial annual processing volume of 15 mt per centre, reflecting the gradual build-up of the recovery network, the entry into force of the LRM decree mandating recovery, and the time needed for behavioural change in the servicing sector. Tunisia is not pursuing a ban on disposable cylinders for HCFC-22 at this stage, due to limited volumes handled per importer and per servicing enterprise and the additional logistical requirements of returnable cylinders. Some HFC imports are already carried out in returnable bulk containers (ISO tanks), in particular HFC-134a and R-410A. As part of the LRM regulation currently under development, Tunisia is studying the possibility of requiring returnable cylinders for importers with high HFC quotas, which would further support the national RRR system.

50. The combination of the pre-existing reclamation units, the stage II procurement and the stage III complementary equipment will result in two fully operational RRR centres, each with an initial processing

¹⁸ Paragraphs 23 to 25 of document UNEP/OzL.Pro/ExCom/97/80

¹⁹ Including 25 recovery and recycling units, 50 cylinders of different sizes, 25 digital leak detectors, 20 digital manifolds, four refrigerant identifiers, vacuum pumps, scales and basic tools.

²⁰ Including a gas chromatograph and Karl Fischer moisture tester for quality control, refrigerant identifier, recovery cylinders, cylinder cleaning, inspection and testing equipment, and consumables.

capacity of approximately 15 mt per year, supported by a national recovery network feeding the centres through the 20 servicing enterprises that were equipped.

51. The Secretariat enquired how the testing and validation of reclaimed refrigerants will be carried out, and UNIDO clarified that, due to the technical constraints of independent laboratory testing of refrigerants, (including refrigerant-specific calibration standards, validated methods for halocarbon and hydrocarbon matrices, and regular calibration cycles), the quality assurance framework will not rely on routine third-party re-testing. Instead, independent assurance will be ensured through validation of analytical methods and calibration procedures via TUNAC (Conseil National d'Accréditation) accreditation under ISO/IEC 17025, or through periodic independent audits by an accredited inspection body (e.g., Bureau Veritas); and a proficiency testing scheme using certified reference materials to verify the ongoing accuracy of the analytical method and equipment calibration. The detailed quality assurance protocol, including validation or accreditation pathways, inspection frequency, proficiency testing schedule, and oversight arrangements, will be defined in the hosting agreement with each RRR centre.

Component 4: Demonstration projects

52. The Secretariat enquired about the two proposed demonstrations of R-290 cold room refrigeration units in food cold storage facilities and of R-290 ice machines for the fisheries sector, requesting details on the estimated population and age of the HCFC-based units in both sectors, technology selection, safety considerations during installation and operation, comparison of initial costs with similar high-GWP applications in the local market, co-financing by beneficiaries, and plans for promoting the technology and facilitating the local supply-chain enabling environment.

53. UNIDO explained that the installed HCFC-22-based cold rooms and ice-making machines ranges between 10 and 18 years, with a significant portion operating beyond their intended lifespans. Approximately 120 port-based ice-making units and 260 port-based cold rooms were identified during the project preparation, compared to the 79 HFC-based cold chambers and 23 HFC-based ice-making machines identified during the KIP preparation. The survey found that 79 per cent of the fisheries cold-chain applications, 2,500 industrial refrigeration systems, and 14,800 commercial refrigeration systems still operate on HCFC-22.

54. Regarding the choice of R-290 over ammonia for ice-making machines, UNIDO clarified that ammonia is a proven, energy-efficient refrigerant for ice production; however, at the demonstration scale of approximately 3 tonnes of ice per day, R-290 monobloc units are architecturally comparable to the existing HCFC-22 equipment, self-contained and maintainable under standard RAC servicing arrangements, with flammability managed through compliance with IEC 60335-2-89.

55. To support the uptake of R-290-based equipment in the country, the Government of Tunisia plans to update its national standards based on international standards to reflect the current IEC 60335-2-89 and the EN 378 / ISO 5149 series, including the provisions on charge-limit for hydrocarbons, ventilation, leak detection, electrical safety, machinery-room requirements, and operator training. The training under the project will be aligned with national the certification scheme of technicians.

56. As for the cost comparison and co-financing considerations, UNIDO clarified that equipment costs for R-290 monobloc and condensing units are typically 15 to 25 per cent higher than equivalent HFC-based units in current market conditions, but this premium is decreasing as adoption increases globally. The energy-efficiency advantage of R-290, typically around 10 per cent, will compensate for the upfront premium over the equipment lifetime. Beneficiaries of the demonstration activities will provide in-kind contributions, including civil works.

57. The dissemination of the demonstration results will combine technical workshops with equipment importers and distributors, demonstration site visits open to commercial and industrial refrigeration operators,

dissemination of monitoring data on energy consumption and leakage performance, and the inclusion of demonstration results in the training programme for trainers and technicians. The objective is to provide local distributors with practical evidence about the demonstrated technologies and to support local servicing capacity through the certified trainer and technician network. Consistent with decision 92/36(g) the country, in collaboration with UNIDO, will develop a system to record and report on the phase-down achieved through the end user project, including on energy-efficiency gains upon completion of the project.

New Component: Leak detection and monitoring

58. Based on the discussion, referred to paragraph 35, to introduce activities to strengthen leak detection and monitoring, UNIDO, in consultation of NOU, provided a new proposed component at a total cost of the of US \$102,294, as follows and as included in table 5.

- (a) 5.1 Sector-specific leakage rate study: Field analysis of HCFC-22 leakage rates across commercial and industrial refrigeration and commercial AC subsectors, using voluntary data from operators with existing leak detection systems to produce a Tunisia-specific leakage rate data by sector and equipment type to inform the demonstration design and the national consumption management strategy (US \$12,294, first tranche).
- (b) 5.2 Demonstration and pilot record-keeping: Demonstration of leak detection and monitoring systems at four to five sites in the tourism sector (large hotels and commercial centres) and/or food distribution sector (large retail operators). The activity includes installation and commissioning of leak detection equipment, monitoring of refrigerant consumption and energy performance, establishing of pilot logbooks and record-keeping tools, and documentation of operational and economic outcomes (US \$50,000, second tranche, to cover up to US \$10,000 per site for medium-to-large installations, excluding pilot record-keeping systems);
- (c) 5.3 National consumption management strategy for the maintenance period: This activity, previously proposed as Activity 1.2 under Component 1, is integrated into the new Component to ensure the consumption management strategy for the maintenance period is informed by the leakage data and demonstration outcomes generated under activities 5.1 and 5.2. The activity is forward-looking and focuses on developing the regulatory and policy framework for the period 2030–2040, when a servicing tail of up to 1.02 ODP tonnes may be permitted under paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol. This assessment will assist the country to submit, in line with decision 86/51(b) a detailed description of the regulatory and policy framework for the period 2030–2040 and proposed modifications to the Agreement should consumption be foreseen. The activity will consist of: (a) analysing the remaining HCFC-22 servicing demand and installed base expected after 2030; (b) reviewing the regulatory, institutional and enforcement framework, and identifying gaps and risks requiring action; (c) translating the demonstration outcomes into operational recommendations for replication; and (d) developing a practical consumption management strategy for 2030–2040, including roles, responsibilities, monitoring, verification and risk-mitigation measures if post-2030 consumption is expected (US \$25,000, second tranche).
- (d) 5.4 Training and dissemination: Capacity-building of technicians and end users on leak detection methodologies, refrigerant logbook-keeping and the use of permanent leak detection equipment, complemented by targeted workshops with the ATRC, professional associations and end user federations to support replication beyond the demonstration sites (US \$15,000, second tranche).

Project management and coordination unit

59. Based on the adjustment made to several activities, as described above, the PMU budget for the whole stage III was revised from 10 per cent to 8 per cent of the overall project costs in the amount to US \$89,926, including consultants (US \$32,400), travel (US \$18,900), meetings and consultations (US \$18,900), monitoring and reporting (US \$12,600) and other costs (US \$7,126).

Total project costs

60. The total cost of stage III of the HPMP amounts to US \$1,213,999, based on decision 74/50(c)(xiii) on the eligible funding level for a non-low-volume-consuming country. The funding for the first tranche was revised and agreed at US \$623,478. The agreed activities and costs are summarized in table 5.

Table 5. Revised servicing sector activities and their costs and in stage III and in the first tranche of the HPMP for Tunisia, as agreed

Project component and activities	Agency	Revised costs (US\$)	
		Stage	First tranche
Component 1: Regulatory framework and control mechanism			
1.1. Regulatory support	UNIDO	10,279	4,000
1.2. National assessment	UNIDO	0	0
1.3. Digitalization of the quota application and reporting system for importers	UNIDO	15,000	15,000
1.4. Provision of refrigerant identifiers to customs officers and environmental inspectors	UNIDO	30,000	0
1.5. Training for customs officers and environmental inspectors	UNEP	115,000	46,000
Subtotal component 1		170,279	65,000
Component 2: Capacity building			
2.1. Training of certifiers	UNIDO	14,000	14,000
2.2. Training and certification of trainers	UNIDO	68,000	34,000
2.3. Training of RAC technicians and professionals	UNEP	70,500	26,000
2.4. Strengthening the participation of women in the RAC sector	UNIDO	35,000	20,000
Subtotal component 2		187,500	94,000
Component 3: Supply of equipment			
3.1. Provision of equipment and tools for RAC training institutes	UNIDO	200,000	0
3.2. Provision of equipment and tools for RAC servicing companies	UNIDO	114,000	56,000
3.3. Establishment of two RRR centres	Italy	200,000	200,000
Subtotal component 3		514,000	256,000
Component 4: Demonstration			
4.1. Demonstration of HC-290 cold room refrigeration units in food cold storage facilities	Italy	90,000	90,000
4.2. Demonstration of HC-290 ice machines for the fisheries sector	Italy	60,000	60,000
Subtotal component 4		150,000	150,000
Component 5: Leak detection and monitoring (new component)			
5.1. Sector-specific leakage rate study	UNIDO	12,294	12,294
5.2. Demonstration and pilot record-keeping	UNIDO	50,000	0
5.3. National assessment to develop a consumption management strategy during the maintenance period	UNIDO	25,000	0
5.4. Training and dissemination	UNIDO	15,000	0
Subtotal component 5		102,294	12,294

Project component and activities	Agency	Revised costs (US\$)	
		Stage	First tranche
Subtotal for activities		1,124,073	577,294
6.1. Project management and coordination (8%)	UNIDO	89,926	46,184
Subtotal		89,926	46,184
Total UNIDO		678,499	201,478
Total UNEP		185,500	72,000
Total Government of Italy		350,000	350,000
Grand total		1,213,999	623,478

Agreed implementation plan for the first tranche of stage III of the HCFC phase-out management plan

61. The agreed plan of action will include the following activities:

- (a) *Regulatory framework and control mechanism* (US \$65,000): Organize two coordination meetings with relevant public authorities and private-sector stakeholders (UNIDO) (US \$4,000); develop and deploy a digitalized quota application and reporting system for importers (UNIDO) (US \$15,000); conduct nine training sessions for 184 customs officers and environmental inspectors on the identification of HCFCs, HFCs and ODS-based equipment (UNEP) (US \$46,000);
- (b) *Capacity building* (US \$94,000): Conduct six training sessions for 40 certifiers on the certification process and examination procedures (UNIDO) (US \$14,000); conduct two sessions for F-gas certification of trainers and three sessions for training of trainers (UNIDO) (US \$34,000); conduct six training sessions for 104 RAC technicians combining theoretical instruction with practical demonstrations to strengthen and update competencies in line with evolving technologies and regulatory requirements, strengthening the participation of women in the RAC sector, including a diagnostic study and action plan to support enrolment of women in RAC-related vocational and training programmes (UNEP) (US \$26,000), (UNIDO) (US \$20,000);
- (c) *Supply of equipment* (US \$256,000): Provision of equipment and tools for eight RAC servicing companies to strengthen their capacity for the sound management of refrigerants (UNIDO) (US \$56,000); establish two RRR centres, including provision of recovery and quality-control equipment (Government of Italy) (US \$200,000)
- (d) *Demonstration* (US \$150,000): Demonstration of HC-290 cold room refrigeration units in food cold storage facilities, including a coordination meeting with national stakeholders and selection of two beneficiary enterprises (Government of Italy) (US \$90,000); demonstration of HC-290 ice production machines including a coordination meeting with national stakeholders and selection of the beneficiary enterprise (Government of Italy) (US \$60,000)
- (e) *Leak detection and monitoring*: Conduct a sector-specific leakage rate study (UNIDO) (US \$12,294).
- (f) *Project monitoring*: (UNIDO) (US \$46,184) including consultants (US \$16,600), travel (US \$9,700), meetings and consultations (US \$9,700), monitoring and reporting (US \$6,500) and administrative and incidental costs (US \$3,684).

Co-financing

62. During stage III implementation, enterprises participating in the RRR activities will contribute in-kind financing of land, infrastructure and utilities, civil works, additional recovery equipment and initial operating costs; beneficiaries of demonstration activities will provide in-kind financing of land, civil works, and simultaneous replacement of additional systems to enhance replication, where feasible; and training institutions will provide in-kind financing of training facilities, staff time and technical inputs by universities, ATRP centres and the ATRC, professional associations and other stakeholders.

2026–2028 draft business plan of the Multilateral Fund

63. UNIDO, UNEP, and the Government of Italy are requesting US \$1,213,999, plus agency support costs, for the implementation of stage III of the HPMP for Tunisia. The total requested value of US \$1,185,902, including agency support costs for the period of 2026–2028, is US \$295,482 above the amount in the business plan.

Gender policy implementation

64. In line with decisions 84/92, 90/48 and 92/40, the Government of Tunisia has incorporated the Multilateral Fund gender policy into the project preparation and formulation for stage III of the HPMP. During stage III, the NOU will undertake a workforce assessment on women in the RAC sector and develop an action plan to address relevant barriers; undertake awareness-raising activities to encourage women to study in the RAC field and participate in training sessions and consultations; continue tracking the number of women and men engaged in project implementation; a programme for women training in RAC servicing, and the prioritization of women technicians for a portion of tools and equipment provided to servicing enterprises.

Sustainability of the HCFC phase-out and assessment of risks

65. The sustainability of the results of stage III of the HPMP will be supported through a combination of regulatory measures, institutional strengthening and long-term capacity-building. This will rely on the formalization of the technician certification system through the decree expected in by the end of 2026, followed by the associated training of certifiers and the training and certification of initial technicians. Sustainability will be further strengthened through activities planned for the post-2030 servicing period, including targeted training for customs and other enforcement bodies; operationalizing the national RRR scheme through the establishment of two RRR centres and equipping servicing enterprises to increase refrigerant recovery volumes and supply quality-assured reclaimed refrigerant to the market, thereby progressively reducing reliance on virgin refrigerants over time. These activities are further reinforced by the additional leak detection and monitoring component.

66. A preliminary assessment of the project implementation risks identified several risks that are categorized between low and medium, including delays in the adoption and entry into force of regulations, limited uptake of low-GWP alternatives due to safety concerns and misconceptions, insufficient refrigerant recovery volumes to ensure viability of the RRR centres, delays in procurement and delivery of specialized equipment, and insufficient engagement from the private sector in replicating of demonstration project outcomes.

67. The mitigation measures identified by UNIDO and the Government of Tunisia include: sustained policy dialogue with relevant ministries to maintain momentum of policy development and enforcement; building market momentum in conjunction with global and regional markets where cost and availability barriers can be overcome; updating and disseminating safety standards and demonstrations to increase industry experience in managing and servicing new alternatives; establishing formal collection networks with servicing companies and large end users to ensure a steady supply stream for the RRR scheme,

progressive regulatory requirements mandating recovery and restricting venting, integration of HCFC controls into routine customs inspection protocols and interagency coordination between customs and ANPE, early identification of qualified suppliers and use of established UNIDO procurement procedures, and targeted outreach through industry associations and sector workshops.

Impact on the climate

68. The activities proposed in the servicing sector, including better refrigerant containment through training and the provision of equipment, will reduce the use of HCFC-22 in servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO₂-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Tunisia, including its efforts to promote low-GWP alternatives through demonstration projects, to operationalize refrigerant recovery and reuse, and to implement technician certification and relevant regulations indicate that the implementation of the HPMP will reduce refrigerant emissions in the atmosphere, resulting in climate benefits.

Draft Agreement

69. A draft Agreement between the Government of Tunisia and the Executive Committee for stage III of the HPMP is contained in annex I to the present document.

RECOMMENDATION

70. The Executive Committee may wish to consider:

Stage II of the HCFC phase-out management plan

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

Stage III of the HCFC phase-out management plan

- (c) Approving, in principle, stage III of the HCFC phase-out management plan (HPMP) for Tunisia for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,331,109, consisting of US \$678,499, plus agency support costs of US \$47,495, for UNIDO and US \$185,500, plus agency support costs of US \$24,115, for UNEP and US \$350,000, plus agency support costs of US \$45,500 for the Government of Italy, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs;
- (d) Noting the commitment of the Government of Tunisia to completely phase out HCFCs by 1 January 2030, and that HCFCs will not be imported after that, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;

- (e) Deducting 12.88 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (f) Approving the draft Agreement between the Government of Tunisia and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage III of the HPMP, contained in annex I to the present document;
- (g) Noting that, upon completion of the end-user projects included in stage III of the HPMP, UNIDO will submit a final report on their implementation in line with decision 92/36(g), including the HCFC phase-out and energy-efficiency gains achieved;
- (h) That, to allow for consideration of the final tranche of its HPMP, the Government of Tunisia should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;
 - (ii) If Tunisia were intending to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (i) Approving the first tranche of stage III of the HPMP for Tunisia, and the corresponding tranche implementation plan, in the amount of US \$692,441, consisting of US \$201,478, plus agency support costs of US \$14,103, for UNIDO, and US \$72,000, plus agency support costs of US \$9,360, for UNEP and US \$350,000, plus agency support costs of US \$45,500 for the Government of Italy.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF TUNISIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE III OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Tunisia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3 and 4.4.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage III of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

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

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

Monitoring

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

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP and the Government of Italy have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the 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 independent verification as per subparagraph 5(b). The Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2 and 2.4, and 2.6 of Appendix 2-A.

Non-compliance with the Agreement

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

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

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

Date of completion

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

Validity

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

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	39.01
HCFC-141b	C	I	1.61
HCFC-142b	C	I	0.04
Subtotal			40.66
HCFC-141b contained in imported pre-blended polyols			5.02
Total			45.68

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	13.2	13.2	13.2	13.2	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	11.00	9.00	6.75	4.25	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	201,478	0	385,141	0	91,880	678,499
2.2	Support costs for Lead IA (US \$)	14,103	0	26,960	0	6,432	47,495
2.3	Cooperating IA (UNEP) agreed funding (US \$)	72,000	0	72,000	0	41,500	185,500
2.4	Support costs for Cooperating IA (US \$)	9,360	0	9,360	0	5,395	24,115
2.5	Cooperating IA (Government of Italy) agreed funding (US \$)	350,000	0	0	0	0	350,000
2.6	Support costs for Cooperating IA (US \$)	45,500	0	0	0	0	45,500
3.1	Total agreed funding (US \$)	623,478	0	457,141	0	133,380	1,213,999
3.2	Total support costs (US \$)	68,963	0	36,320	0	11,827	117,110
3.3	Total agreed costs (US \$)	692,441	0	493,461	0	145,207	1,331,109

Row	Particulars	2026	2027	2028	2029	2030	Total
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						12.88
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						26.13
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)						1.34
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.27**
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)						0
4.3.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)						0
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)						0.04**
4.4.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0
4.4.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)						5.02
4.4.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0

* Date of completion of stage II as per stage II Agreement: 31 December 2026. Extension to 31 December 2027 is being requested at the present meeting.

**Remaining eligible consumption for funding is zero since there is no more consumption in the country.

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the

interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (a) above;

- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (“NOU”) of the Country is responsible for monitoring the progress of implementation of activities in the Plan.

2. The monitoring will be conducted during the implementation of the Plan to ensure efficient and effective implementation; overall project coordination; stakeholder engagement and coordination; smooth implementation of activities planned under various tranches; delivery of trainings and other expected outcomes; and facilitation of the HCFC consumption verification undertaken by the Lead IA.

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

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country’s Plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IAs;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

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

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

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

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

2. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$188 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

3. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.
