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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 agenda[1]

PROJECT PROPOSAL: SOUTH SUDAN

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

Phase-out

• HCFC phase-out management plan (stage II, first tranche)	UNEP and UNDP	Individual consideration

[1] UNEP/OzL.Pro/ExCom/98/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

South Sudan

PROJECT TITLE	**AGENCY**
HCFC phase-out management plan (stage II)	UNEP (lead), UNDP

ARTICLE 7 DATA (Annex C, Group I)	**Year: 2025**	0.66 ODP tonnes

COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							**Year: 2025**
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					0.52		0.52

CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	4.10	Starting point for sustained aggregate reductions:	1.64
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	0.57	Remaining:	1.07

ENDORSED BUSINESS PLAN		**2026***	**2027**	**2028**	**Total**
UNEP	ODS phase-out (ODP tonnes)	0.00	0.10	0.00	0.10
	Funding (US $)	113,000	51,000	0	164,000
UNDP	ODS phase-out (ODP tonnes)	0.00	0.00	0.00	0.00
	Funding (US $)	0	87,200	0	87,200

*Including US $113,000 for UNEP for additional activities to maintain energy efficiency in line with decision 89/6.

PROJECT DATA AS AGREED			**2026***	**2027**	**2028***	**2029**	**2030**	**Total**
Consumption (ODP tonnes)	Montreal Protocol limits		1.33	1.33	1.33	1.33	0	n/a
	Maximum allowable		0.53	0.53	0.53	0.53	0	n/a
Project costs requested in principle (US $)	UNEP	Project costs	92,350	0	126,500	0	24,500	243,350
		Support costs	12,006	0	16,445	0	3,185	31,636
	UNDP	Project costs	66,500	0	33,900	0	0	100,400
		Support costs	5,985	0	3,051	0	0	9,036
Total amounts recommended in principle (US $)		Project costs	158,850	0	160,400	0	24,500	343,750
		Support costs	17,991	0	19,496	0	3,185	40,672
		Total funds	176,841	0	179,896	0	27,685	384,422

*Funding for 2026 and 2028 includes a total of US $100,000, plus agency support costs of US $13,000, for UNEP for additional activities to maintain energy efficiency (decision 89/6).

Request for funding for the first tranche (2026)		
Implementing agency	**Funds recommended (US $)**	**Support costs (US $)**
UNEP	92,350	12,006
UNDP	66,500	5,985
Total	158,850	17,991

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of South Sudan, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US $598,150, consisting of US $375,000 plus agency support costs of US $48,750 for UNEP and US $160,000, plus agency support costs of US $14,400 for UNDP, as originally submitted.[2] The submission includes a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector.[3] The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US $401,670, consisting of US $259,000, plus agency support costs of US $33,670, for UNEP and US $100,000, plus agency support costs of US $9,000, for UNDP, as originally submitted.

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

3. Stage I of the HPMP for South Sudan was originally approved at the 77th meeting[4] and revised at the 91st and 97th meetings[5] to phase out 0.57 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector, and to meet the 35 per cent reduction from baseline by 2020, at a total cost of US $210,000, plus agency support costs. Stage I of the HPMP will be completed by 31 December 2026, as per decision 97/55(c).

Report on HCFC consumption

4. The Government of South Sudan reported a consumption of 0.66 ODP tonnes of HCFCs in 2025, which is 84 per cent below the HCFC baseline for compliance. The 2021–2025 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in South Sudan (2021-2025 Article 7 data)

HCFC-22	2021	2022	2023	2024	2025	Baseline
Metric tonnes (mt)	18.91	18.55	17.00	12.00	12.00	74.55
ODP tonnes	1.04	1.02	0.94	0.66	0.66	4.10

5. The trend in HCFC consumption in South Sudan has been consistently lower than the maximum allowable consumption of 1.07 ODP tonnes for those years. This trend continued in 2025; however, UNEP informed that the country has submitted a request to the Ozone Secretariat to revise the data for 2025 to correct an error. The data submitted for 2025 under the country programme (CP) implementation report has already been corrected to reflect 0.52 ODP tonnes of consumption for 2025, which is 87 per cent below the baseline for consumption. In South Sudan, HCFCs are primarily used in the RAC servicing sector. The consumption of HCFCs in this sector has been steadily decreasing, largely due to importers shifting toward alternatives such as R-600a and the growing availability of energy-efficient, low-global-warming-potential (GWP) equipment. The domestic and commercial refrigeration subsectors are increasingly adopting hydrocarbon-based refrigerants, while new air-conditioning (AC) units entering the market use both HFCs

[2] As per the letter of 17 March 2026 from the Ministry of Environment and Forestry of South Sudan to the Secretariat.
[3] In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero GWP and for maintaining energy efficiency in the refrigeration servicing sector.
[4] Decision 77/40
[5] Annex XVI of document UNEP/OzL.Pro/ExCom/91/72 and decision 97/55

and low-GWP alternatives. This transition reflects both market adaptation and regulatory efforts supporting the phase-out of HCFCs and the safe adoption of alternatives through HPMP activities.

Country programme implementation report

6. The Government of South Sudan reported HCFC sector consumption data under the 2025 CP implementation report that is consistent with the revised data, submitted to the Ozone Secretariat, under Article 7 of the Montreal Protocol.

<u>Status of progress and disbursement</u>

Legal framework

7. As reported at the 97th meeting, South Sudan has advanced its institutional and regulatory framework to phase out HCFCs by passing the Environmental Protection and Management Act, 2023 (Act No. 9 of 2023), which provides a legal foundation for the licensing and quota system for HCFCs and other ODSs. A 2025 bilateral framework agreement between the Ministry of Environment and Forestry and the Ministry of Trade and Industry established a jointly managed licensing system, with the national ozone unit (NOU) issuing and keeping records of HCFC import permits and the Ministry of Trade and Industry granting final licenses. Only registered importers may be granted a quota permit. Any controlled substances imported without a quota permit are confiscated by the Customs Department. Annual reporting by HCFC importers has been introduced to improve monitoring and quota enforcement. A national steering committee (NSC) guides national implementation efforts related to the Montreal Protocol.

8. During stage I of the HPMP, ODS Regulations (2025) were drafted, and three stakeholder consultation meetings were held with over 80 attendees (including 10 women). The draft regulations, which are currently under ministerial review, propose additional key measures such as banning non-refillable cylinders, mandating labelling and reporting, and restricting the import of HCFC-based equipment. South Sudan has not yet ratified the Kigali Amendment; however, preparations are underway to extend the licensing and quota system to HFCs and blends once ratification is completed.

9. Since the approval of the last tranche of stage I at the 97th meeting, the country has initiated preparatory steps toward implementing the bans on non-refillable cylinders and on the import of HCFC-based equipment, which are expected to come into effect by the end of 2026.

10. During the stage I implementation, 265 customs and law enforcement officers (including 15 women) were trained on ODS control, licensing enforcement, and the detection of illegal imports. Harmonized System (HS) codes were customized and integrated into the national customs database to reflect individual ODS substances and commonly imported blends, and two refrigerant identifiers were purchased to support the detection of illegal ODS imports; their use was also covered during the customs training sessions.

Refrigeration servicing sector

11. During stage I of the HPMP, a total of 260 RAC technicians (including 52 women) received training on good servicing practices, safe handling of flammable refrigerants, recovery and recycling, and ODS management. The NOU also supported the organization of one RAC association meeting to discuss how to strengthen the association, ensure that most technicians join, and determine how to manage a national

training centre. Needs assessments were carried out, and procurement was initiated for one vocational training centre[6] and for tool kits for 50 servicing workshops.[7]

Level of fund disbursement

12. As of March 2026, of the US $210,000 approved for stage I, US $93,215 (44 per cent) had been disbursed. The balance of US $116,785 will be disbursed by the end of 2026.[8]

Stage II of the HCFC phase-out management plan

Remaining consumption eligible for funding

13. After deducting 0.57 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding in stage II would amount to 1.07 ODP tonnes of HCFC-22.[9]

Sector distribution of HCFCs

14. There are approximately 615 technicians (including 38 women) and 64 workshops operating in the servicing sector. Of these 387 technicians are in the formal sector and 228 technicians in the informal sector. In the service sector HCFC-22 is consumed to service residential and commercial AC, stand-alone, condenser, centralized commercial and industrial refrigeration units, and transport refrigeration units, as shown in table 2. HCFC-22 represents 39 per cent of refrigerants used in the RAC servicing sector, along with HFC-134a (49 per cent),[10] R-600 (8 per cent) and R-290 (4 per cent).

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

Sector/Application	(a) Equipment inventory	(b) Average charge (kg)	(c) = (a)*(b) HCFC bank (mt)	(d) Estimated bank refilled during servicing (%)	(c)*(d) Annual need for servicing (mt)
Industrial /commercial refrigeration	3,657	8	29.26	20	5.85
Transport refrigeration	8,750	12	105.00	1.0	1.05
Residential AC	52,500	1.2	63.00	5.0	3.15
Commercial AC	14,835	20	296.70	0.7	2.08
Total	**79,742**	**n/a**	**493.96**	**n/a**	**12.13**

Phase-out strategy

15. Stage II of the HPMP will focus on achieving the total phase-out of HCFCs through the promotion and adoption of energy-efficient, low-GWP alternative technologies. Consolidating and strengthening the infrastructure previously established and applying lessons learned, stage II of the HPMP will continue to build institutional and human capacities for a sustained safe and environmentally sound management of refrigerants.

[6] The centre will be equipped with a standardized set of tools and equipment, including recovery machines, refrigerant recycling units, vacuum pumps, manifold gauge sets, leak detectors, cylinder weighing scales, refrigerant identifiers, recovery cylinders, and full servicing toolkits.
[7] At least 50 workshops with technicians who participate in the training programme will be equipped with recovery machines, vacuum pumps, manifold gauges, leak detectors, charging scales, servicing toolkits, and safety gear.
[8] The final tranche, amounting to US $69,500, was approved in December 2025.
[9] Noting that the Government of South Sudan had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption at 1.64 ODP tonnes.
[10] Plus 12.85 mt of consumption of HFC-134a in the mobile air-conditioning sector.

Proposed activities

16. Activities proposed for implementation in the servicing sector under stage II and in the first tranche and their cost breakdowns are presented in table 3.

Table 3. Servicing sector activities and their costs under stage II of the HPMP for South Sudan, as submitted

Activity	Agency	Cost (US $)	
		Stage II	First tranche
Strengthening the national capacity and legal or regulatory frameworks to control HCFCs: • Conduct regular sensitization meetings/workshops for NSC members and law/policy makers to ensure competence on enforcement of the licensing and quota system on control of HCFC imports (US $5,000); • Establish an online tool for HCFC import control (US $5,000); • Translate HCFC-related laws and regulations into the main languages of the country (US $5,000); • Four awareness-raising workshops for 100 importers, traders and distributors (targeting 40 per cent women) on import permits/licenses, allocation of annual quotas and risks associated with different refrigerant substances (US $5,000); and • Six training sessions for 300 customs and enforcement officers on control and identification of HCFCs and HCFC-based equipment (targeting 40 per cent women) (US $60,000).	UNEP	80,000	46,000
Strengthening the capacity of refrigeration technicians on good practices in refrigeration: • Develop regulatory standards on the use of flammable and toxic substances in RAC equipment (US $10,000); • Establish and implement a certification scheme for refrigeration technicians (US $100,000);[11] • Six training workshops for a total of 300 technicians (targeting 17 per cent women) on good practices in refrigeration, including techniques for the recovery, recycling, and reuse of refrigerants, and the safety and handling of new refrigerants and equipment (US $60,000); and • Two campaigns to encourage youth to pursue studies in the RAC field, and one campaign to encourage women to enter this field of study (targeting 30 to 40 per cent women) (US $5,000).	UNEP	175,000	103,000
Expanding and strengthening one centre of excellence and establishing two reclamation centres: • Procure new tools and equipment to establish one new centre of excellence,[12] and additional tools, equipment and spare parts for the existing centre of excellence supported under stage I (US $30,000);	UNDP	160,000	100,000

[11] Including defining roles and responsibilities, formal agreements of cooperation, developing competency standards, curriculum development of assessors, selection of assessors, developing entry qualifications formation of certifying body, registration of technicians, assessment training and testing, and certification of initial technicians (targeting 20 per cent participation by women across all activities).

[12] Including a refrigerant identifier, a refrigerant leak detector for CO_2, a hydrocarbon-based split air conditioner, ten 30lb storage tanks, 20 sets of safety gear and two each of the following refrigerant leak detectors A1/A2L and refrigerant leak detectors A2/A3, 100 lb storage tanks, A1 recovery equipment, recycling filter kit, service gauge manifolds, valve core removal tools, brazing equipment, N2 equipment, electronic charging scales A1/A2L, electronic charging scales for hydrocarbon, portable ATEX air blowers, multimeters and various pliers, tube cutting, bending, flaring and expanding tools, and other tools and safety equipment.

Activity	Agency	Cost (US $)	
		Stage II	First tranche
• Conduct a feasibility study and establish a first reclaim centre,[13] including procuring the required tools and equipment, assessment of the operation of the first centre and accordingly establish a second reclaim centre or expand the coverage of the centres of excellence (US $80,000); • Purchase five refrigerant identifiers for the Customs Department (US $30,000); • Six intensive training sessions for 300 technicians on hydrocarbons (targeting 17 per cent women) (US $20,000);			
Activities to maintain energy efficiency (see paragraph 17 below)	UNEP	100,000	100,000
Project monitoring, evaluation and reporting activities (see paragraph 18)	UNEP	20,000	10,000
Subtotal for UNEP		**375,000**	**259,000**
Subtotal for UNDP		**160,000**	**100,000**
Total		**535,000**	**359,000**

Activities to maintain energy efficiency in the refrigeration servicing sector

17. The project related to energy efficiency, submitted in line with decision 89/6, is designed to support the process of domesticating regional minimum energy performance standards[14] (MEPS) for air conditioners and refrigeration appliances, and the operationalization of energy-labelling schemes by creating an enabling policy and regulatory environment and enhancing public knowledge. The following activities are proposed to maintain energy efficiency in the RAC sector:

(a) Coordination and collaboration among relevant agencies: Two workshops and one planning meeting to improve coordination on the promotion of energy-efficient and low-GWP refrigerants between the NOU and the Ministry of Energy, the RAC association, the Electricity Corporation, and the Customs Department (US $12,000);

(b) Awareness and outreach programmes to promote the introduction of MEPS: Develop and disseminate consumer-focused awareness materials; hold national MEPS awareness roadshows; and six non-technical information sessions to build awareness among consumers, general stakeholders, and RAC industry actors about the upcoming MEPS and energy-efficiency labelling schemes (US $55,000); and

(c) Development of implementation and compliance support: Enhance the capacity of regulatory institutions, import control systems, and market actors through the development of compliance and enforcement guidelines; establish an importer support programme and hold two information sessions; develop a MEPS monitoring baseline and report; and hold two-hands-on training sessions for customs and market surveillance officers on identifying non-compliant RAC products, interpreting MEPS and labels, and verifying documentation (US $33,000).

[13] Including a refrigerant leak detector A1/A2L, refrigerant leak detector A2/A3, refrigerant leak detector CO_2, sample cylinder and accessories, two each of refrigerant identifiers, 300 kg scales, first aid kits, four 100 lb storage tanks, five each of vacuum pumps, A1 recovery equipment, recycling filter kits, service gauge manifolds and 20 each of 30 lb storage tanks and set of safety protection gear.
[14] Set by the East African Community in 2025.

Project implementation and monitoring

18. The system established under stage I of the HPMP will continue into stage II, with the NOU and NSC leading monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. The cost of these activities amounts to US $20,000 for consultants and contractual services (US $10,000) and domestic travel (US $10,000).

<u>Total cost of stage II of the HCFC phase-out management plan</u>

19. The total cost of stage II of the HPMP for South Sudan has been estimated, including activities to maintain energy efficiency in the refrigeration servicing sector, at US $535,000 (plus agency support costs), as originally submitted, for achieving a 100 per cent reduction by 2030. The proposed activities and cost breakdown are summarized in table 3 above.

<u>Implementation plan for the first tranche of stage II of the HCFC phase-out management plan</u>

20. The first funding tranche of stage II of the HPMP in the total amount of US $359,000, as originally submitted will be implemented between July 2026 and December 2028. Detailed information on the activities included in the first tranche, indicating adjustments made and the level of funds agreed, is presented in paragraph 33 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

21. The Secretariat reviewed stage II of the HPMP in light of stage I, 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 (decision 74/50), and the 2026–2028 business plan of the Multilateral Fund.

<u>Overarching strategy</u>

22. The Government of South Sudan submitted a letter indicating the commitment to achieve a 100 per cent reduction of the country's HCFC baseline consumption and attain compliance with the Montreal Protocol measures by 2030, and that the country would not require any HCFCs for its servicing needs after 2030.

<u>Legal framework</u>

23. The Government of South Sudan has issued HCFC import quotas for 2026 at 0.51 ODP tonnes, which is lower than the Montreal Protocol control targets and the maximum allowable consumption in the country's Agreement with the Executive Committee.

24. The Secretariat enquired on the status of the adoption of the bans on non-refillable cylinders and on the import of HCFC-based equipment, expected to be in place by June 2026. UNEP indicated that the NOU had initiated necessary preparatory steps, i.e., holding preliminary stakeholder meetings to discuss the scope and implications of the bans, followed by an awareness workshop targeting importers and relevant stakeholders to inform them of the rationale, objectives, and expected impacts of the bans, thereby facilitating a smoother transition and enhancing compliance. A ministerial decree will be issued to formalize the ban. It is anticipated that the ban will become fully effective by the end of 2026.

Technical and cost-related issues

25. The Secretariat held detailed discussions with UNEP and UNDP on the total cost for stage II of the HPMP, noting that the originally proposed costs were based on the difference between the eligible costs for the complete phase-out and the net funding received in stage I, plus US $100,000 for additional energy efficiency activities in line with decision 89/6. The Secretariat noted that the 2020 target was achieved and that the country's consumption has been sustained below that target since then. Stage II of the HPMP is being submitted in 2026, which is after the Montreal Protocol target for 2025, which has also been achieved. Notwithstanding this, the Secretariat also noted that there is a need to maintain the level of achievement and go further to fully phase out HCFCs, while keeping in mind that the full amount agreed by the Executive Committee to reach the 2025 target, as reflected in decision 74/50, would not apply to this case. The costs for stage II of the HPMP were therefore agreed at US $243,750 based on decision 74/50(c)(xii),[15] plus US $100,000 for additional energy efficiency activities in line with decision 89/6.

Submission of stage II at the 98th Executive Committee meeting

26. At its 97th meeting, the Executive Committee approved the last tranche of stage I and extended the stage to 31 December 2026. Stage II was expected to be submitted to the 99th meeting. The Secretariat enquired about the reason for the early submission. UNEP explained that the decision was guided by the need to ensure continuity of implementation, the timely achievement of regulatory commitments, and adequate preparedness for the next phase of HCFC phase-out. Delaying the submission could have created the risk of a gap between the operational readiness for stage II and the completion of stage I. Furthermore, implementation of the commitment to adopt bans on non-refillable cylinders and HCFC-based equipment by December 2026 requires enabling measures to be strengthened and sustained.

Technician certification scheme

27. Regarding the establishment of a certification scheme for RAC technicians, UNEP explained that a structured approach will be followed. It will cover the development of labour competency standards, criteria for the selection and training of assessors, certification procedures, and the creation of a certifying body. UNEP also explained that the country is planning to adopt complementary regulatory measures to support the technician certification scheme. These measures would include restricting the sale of certain refrigerant substances exclusively to certified technicians and limiting the servicing of large equipment to such technicians. It is expected that the Ministry of Labour will take the lead in establishing the certification body. Upon completion of the scheme, it is expected that approximately 800 technicians will be certified. This will include personnel from both the formal and informal sectors, ensuring that a significant portion of the RAC workforce in South Sudan meets recognized competency standards and is qualified to handle refrigerants safely and effectively.

Reclamation centre

28. On the establishment of two reclamation centres, as originally proposed, the Secretariat highlighted that, from the information provided, the amounts of refrigerant to be re-used in the country did not justify the large investment required, and that the country was lacking a supporting regulatory framework to ensure the sustainability of reclamation and reuse of HCFCs and other controlled substances. It was therefore recommended that the country would be able to meet its objective of reusing refrigerants by establishing two recovery and recycling (R&R) centres, which would be more financially viable and sustainably operated in the context of the country. Accordingly, the costs for this component were revised.

[15] Inter alia that low-volume-consuming (LVC) countries would be provided with funding consistent with the level of consumption in the RAC servicing sector on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve the phase-out targets.

29. The Secretariat requested the agencies to advise the Government, and the agencies confirmed the commitment of the Government to establish appropriate regulatory measures to control intended emissions of refrigerants during installation, servicing and decommissioning of RAC equipment. This commitment will support the adoption of good servicing practices, strengthen refrigerant management, and ensure the effective recovery, recycling, and reuse of refrigerants.

Activities to maintain energy efficiency in the refrigeration servicing sector

30. In line with decision 89/6(d), UNEP has included in the implementation plan the specific actions, performance indicators and funding associated with additional activities to maintain energy efficiency. Taking into account the remaining activities to be completed under stage I of the HPMP, the Secretariat and UNEP agreed to move some of the energy efficiency-related activities to the second tranche instead of implementing all of them during the first tranche. This would ensure smoother implementation while reducing the funding allocated to the first tranche to allow a more balanced disbursement. The activity to promote coordination and collaboration among relevant agencies would be implemented under the first tranche, to prepare the agencies involved (i.e., the NOU and Ministry of Energy, RAC association, Electricity Corporation and the Customs Department) for the implementation of the awareness and outreach programmes, that aim to promote the introduction of MEPS, and the development of implementation and compliance support.

<u>Total project cost</u>

31. In response to the comments and suggestions from the Secretariat, detailed in paragraphs 25 to 30 above, UNEP, UNDP and the Government of South Sudan agreed to revise the activities, and all costs proposed for stage II of the HPMP, which are presented in table 4 below.

Table 4. Adjusted activities and costs to be implemented in stage II of the HPMP in South Sudan

Activity	**Agency**	**Cost (US $)**	
		Stage II	**First tranche**
Strengthening the national capacity and legal or regulatory frameworks to control HCFCs: • Two meetings/workshops with 40 relevant stakeholders (targeting 25 per cent women) on enforcement of the licensing and quota system and the control of HCFC imports (US $2,000); • Establish an online tool for HCFC import control (US $2,850); • Translate HCFC-related laws and regulations into the main languages of the country (US $2,000); • Two awareness-raising workshops for 40 importers, traders and distributors (targeting 25 per cent women) on import permits/licenses, allocation of annual quotas and risks associated with different refrigerant substances (US $2,000); and • Four training sessions for 200 customs and enforcement officers on control and identification of HCFCs and HCFC-based equipment (targeting 20 per cent women) (US $20,000).	UNEP	28,850	16,850
Strengthening the capacity of refrigeration technicians on good practices in refrigeration: • Develop regulatory standards on the use of flammable and toxic substances in RAC equipment (US $3,000); • Establish and implement a certification scheme for refrigeration	UNEP	94,500	53,500

Activity	Agency	Cost (US $)	
		Stage II	First tranche
technicians[16] (US $50,000); • Four training workshops for a total of 200 technicians (targeting 20 per cent women) on good practices in refrigeration, including techniques for the recovery, recycling, and reuse of refrigerants, and the safety and handling of new refrigerants and equipment (US $40,000); and • A campaign to encourage entry into the RAC field and one campaign to encourage women to enter the field of study (targeting 30 to 40 per cent women) (US $1,500).			
Expanding and strengthening centres of excellence and establishing two R&R centres: • Procure new tools and equipment to establish one new centre of excellence[17] and additional tools and equipment and spare parts for equipment provided under stage I to existing centre of excellence (US $16,900); • Establish two R&R centres (US $65,000);[18] • Purchase three refrigerant identifiers for the Customs Department (US $13,500); • One intensive training session for 25 technicians on hydrocarbons (targeting 20 per cent women) (US $5,000);	UNDP	100,400	66,500
Activities to maintain energy efficiency (see paragraph 17)	UNEP	100,000	12,000
Project monitoring, evaluation and reporting activities (see paragraph 18)	UNEP	20,000	10,000
Subtotal for UNEP		**243,350**	**92,350**
Subtotal for UNDP		**100,400**	**66,500**
Total		**343,750**	**158,850**

32. The Secretariat discussed with UNEP the proposed tranche distribution for stage II noting that according to decision 62/17, the last tranche should be for 10 per cent of the total funding and be scheduled for the last year of the plan. Based on these consultations, a revised tranche distribution was agreed for three tranches with the last tranche in 2030.

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

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

(a) Strengthening the national capacity to control HCFCs (UNEP): Conduct one meeting with 20 relevant stakeholders (targeting 25 per cent women) on enforcement of the licensing and quota system and the control of HCFC imports; establish an online tool for HCFC import control; translate HCFC-related laws and regulations into the main languages of the country; one awareness-raising workshops for 20 importers, traders and distributors on import permits/licenses, the allocation of annual quotas and risks associated with different

[16] Including defining roles and responsibilities, formal agreements of cooperation, developing competency standards, curriculum development of assessors, selection of assessors, developing entry qualifications formation of certifying body, registration of technicians, assessment training and testing, and certification of initial technicians (targeting 20 per cent participation by women across all activities).
[17] Including equipment listed in footnote 12.
[18] Including refrigerant leak detectors (A1/A2, A2/A3 and CO_2); a sample cylinder and accessories; a refrigerant identifier, 300 kg scale and first aid kit for each centre, two 100lb storage tanks per centre, five vacuum pumps, A1 recovery equipment, recycling filter kits, service gauge manifolds, 20 sets of protective gear and 30lb storage tanks.

refrigerant substances (US $6,850); two training sessions for 100 customs and enforcement officers on control and identification of HCFCs and HCFC-based equipment (US $10,000);

(b) Strengthening the capacity of refrigeration technicians on good practices in refrigeration (UNEP): Development of regulatory standards on the use of flammable and toxic substances in RAC equipment (US $3,000); establish and implement a certification scheme for refrigeration technicians[19] (US $30,000); two training workshops for a total of 100 technicians on good practices in refrigeration, including techniques for the recovery, recycling, and reuse of refrigerants, and safety and handling of new refrigerants and equipment; one awareness campaign to further promote best practices (US $20,000); and a campaign to encourage entry into the RAC field and a campaign to encourage women to enter the field of study (US $500);

(c) Expanding and strengthening centres of excellence and establishing two R&R centres (UNDP): Procure new tools and equipment to establish one new centre of excellence, and additional tools and equipment and spare parts for equipment provided under stage I to existing centre of excellence (US $10,000); establish two R&R centres (US $40,000); purchase three refrigerant identifiers for the Customs Department (US $13,500); one intensive training session for 25 technician trainers on hydrocarbons (US $3,000);

(d) Activities to maintain energy efficiency: (UNEP) (US $12,000); and

(e) Project monitoring (UNEP): Monitoring, evaluation and reporting structure on stage II (US $10,000) to be used for consultants and contractual services (US $5,000) and domestic travel (US $5,000).

Co-financing

34. The Government of South Sudan will provide support for the coordination and management of the HPMP. The anchoring of the NOU within the Ministry of Environment and Forestry, with its access to the highest decision-making levels, and its collaboration with other Government ministries and bodies, will ensure the proper running of the HPMP implementation. Support will be in kind, in the form of office rental, assignment of local temporary staff to assist in meetings and workshops, and organization of transport for meeting and workshop participants.

2026–2028 draft business plan of the Multilateral Fund

35. UNEP and UNDP are requesting US $343,750, plus agency support costs, for the implementation of stage II of the HPMP for South Sudan. The total requested value of US $356,737, including agency support costs for the period of 2026–2028, is US $105,537 above the amount in the business plan.

Gender policy implementation

36. In line with decisions 84/92, 90/48 and 92/40, the Government of South Sudan considered the participation of women as part of project planning and implementation. During the implementation of the previous stage, the NOU reported an increase in the participation of women in the training programmes for customs officers and RAC technicians as a result of awareness-raising campaigns, and partnerships with technical schools carried out under stage I. In the technician trainings 20 per cent of the participants were women, and 6 per cent of the participants in customs training were women. During stage II, in order to meet the mandatory targets, an assessment will be conducted, and the NOU will undertake awareness-raising

[19] Including formalizing the cooperation between the Ministry of Environment and Forestry and Ministry of Labour, developing the national labour competency standards, designing the curricula for formal and informal sectors for assessor training, and establishing the certification body.

activities to encourage women to join the RAC sector and participate in training sessions and consultations and will continue tracking the number of women and men engaged in project implementation.

Sustainability of the HCFC phase-out and assessment of risks

37. UNEP indicated that they would continue monitoring the situation of political instability in the country, which is the main identified risk to the timely implementation and completion of the stage and the sustainability of the HCFC phase-out achievements, and that they will provide early advice to the country as necessary. Reporting will be encouraged at all stages of project implementation, to maximize best practices. UNEP highlighted the existence of a positive momentum in the country, which will facilitate the implementation of stage II. In particular, UNEP referred to the current stable NOU, which has helped improve cooperation with the customs authorities, and the active guidance of the steering committee, which acts as an adviser to the Government on Montreal Protocol matters.

38. To ensure the long-term sustainability of the achievements of the HPMP beyond its completion, the RAC vocational training centres will continue to include an ozone module in their curriculum, and a certification scheme for refrigeration technicians will be established during stage II of the HPMP. Centres of excellence will continue assisting RAC technicians in building capacity in good and safe servicing practices and in providing advice on emerging technologies. The training of customs and enforcement officers is a continuous activity, implemented in cooperation with the Customs Department, which enhances the implementation and enforcement of the licensing and quota system, and the collection of accurate data.

Impact on the climate

39. 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 CO_2-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by South Sudan, including its efforts to enhance capacity of technicians to reduce leakage, promote low-GWP alternatives, and support the foundation for refrigerant recovery and reuse in the country, indicate that the implementation of the HPMP will reduce refrigerant emissions in the atmosphere, resulting in climate benefits.

Draft Agreement

40. A draft Agreement between the Government of South Sudan and the Executive Committee for stage II of the HPMP is contained in annex I to the present document.

RECOMMENDATION

41. The Executive Committee may wish to consider:

(a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for South Sudan for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $384,422, consisting of US $243,350, plus agency support costs of US $31,636, for UNEP and US $100,400, plus agency support costs of US $9,036, for UNDP, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs and no servicing tail will be needed;

(b) Noting the commitment of the Government of South Sudan:

(i) To completely phase out HCFCs by 1 January 2030 and that HCFCs will not be imported after that date;

(ii) To establish regulatory measures to control intended emissions of refrigerant during installation, servicing and decommissioning of refrigeration and air-conditioning equipment during stage II of the HPMP;

(c) Noting also that stage II of the HPMP includes funding for additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US $100,000, plus agency support costs of US $13,000, for UNEP;

(d) Deducting 1.07 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(e) Approving the draft Agreement between the Government of South Sudan and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in annex I to the present document; and

(f) Approving the first tranche of stage II of the HPMP for South Sudan, and the corresponding tranche implementation plan, in the amount of US $176,841, consisting of US $92,350, plus agency support costs of US $12,006, for UNEP, and US $66,500, plus agency support costs of US $5,985, for UNDP.

Annex I

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

Purpose

1. This Agreement represents the understanding of the Government of South Sudan (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.

2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).

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

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

Conditions for funding release

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

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

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

(c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

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

Monitoring

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

Flexibility in the reallocation of funds

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

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

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

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

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

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

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

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

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

Considerations for the refrigeration servicing sector

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

(a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

(b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

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

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

Non-compliance with the Agreement

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

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

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

Date of completion

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

Validity

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

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.64

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.33	1.33	1.33	1.33	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.53	0.53	0.53	0.53	0	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	92,350	0	126,500	0	24,500	243,350
2.2	Support costs for Lead IA (US $)	12,006	0	16,445	0	3,185	31,636
2.3	Cooperating IA (UNDP) agreed funding (US $)	66,500	0	33,900	0	0	100,400
2.4	Support costs for Cooperating IA (US $)	5,985	0	3,051	0	0	9,036
3.1	Total agreed funding (US $)	158,850	0	160,400	0	24,500	343,750
3.2	Total support costs (US $)	17,991	0	19,496	0	3,185	40,672
3.3	Total agreed costs (US $)	176,841	0	179,896	0	27,685	384,422
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						1.07
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						0.57
4.1.3	Remaining eligible consumption of HCFC-22 (ODP tonnes)						0.00

* Date of completion of stage I as per revised stage I agreement: 31 December 2026

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

(a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

(b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

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

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

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

(a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

(b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

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

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

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

(b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. Monitoring the implementation of the Plan and the verification of the achievement of the performance targets will be assigned to an independent local enterprise or to independent local consultant(s) by the Lead IA. The enterprise or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

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

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

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

(d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;

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

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

(h) Carrying out required supervision missions;

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

(j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;

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

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

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

(n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and

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

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

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

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

(a) Providing assistance for policy development when required;

(b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;

(c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and

(d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested.

Additional measures might be considered in cases where non-compliance extends for two consecutive years.

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