

Annex XIV

OUTSTANDING ISSUES FOR FURTHER DISCUSSION BY THE EXECUTIVE COMMITTEE ON THE COST GUIDELINES FOR THE PHASE-DOWN OF HFCs (As of the 83rd meeting)

I. IN RELATION TO THE COST GUIDELINES

Sustained aggregate reductions

- (a) To use the following methodology [to be proposed by the Executive Committee] for determining the starting point for sustained aggregate reduction in HFC consumption and production, noting that the starting point should be expressed in [[CO₂ equivalent] and/or [metric tonnes]];
- (b) [add text for production];
- (c) [When determining the starting point for aggregate reduction in HFC consumption, the following approach will be followed with regard to the import and export of HFCs contained in pre-blended polyols, which had not been counted as consumption under Article 7 of the Montreal Protocol:
 - (i) [Paragraph about internal production of pre-blended polyols];
 - (ii) To request Article 5 countries to report under the country programme implementation report imports and exports of HFCs contained in pre-blended polyols;
 - (iii) To request Article 5 countries that wished to seek assistance for the phase-out of imports of HFCs contained in pre-blended polyols to include in the starting point for aggregate reduction in HFC consumption the amount of HFC imported contained in polyol systems during the years used as reference to determine the starting point; and
 - (iv) To request Article 5 countries that export HFC contained in pre-blended polyols to deduct from the starting point for aggregate reduction in HFC consumption the amount of HFC exported contained in polyol systems during the years used as reference to determine the starting point.]

Eligible incremental costs

Consumption manufacturing sector

- (d) [To continue discussing the cost guidelines for the phase down of HFCs in Article 5 Parties, *inter alia* including establishment of cost-effectiveness thresholds, through an appropriate methodology in relation to consumption manufacturing sector, taking into account relevant information, decisions of the Executive Committee and results from the implementation of stand-alone HFC investment projects in all sectors of HFCs;]

Refrigeration servicing sector

- (e) [Consideration of paragraph 16 of decision XXVIII/2, [including consideration of maintaining energy efficiency in the servicing/end-user sector]];

Energy efficiency

Capacity building to address safety

Disposal

- (f) To consider, at the 84th meeting, the matter of disposal of controlled substances, in light of the final report on the evaluation of pilot demonstration projects on ODS disposal and destruction to be submitted by the Senior Monitoring and Evaluation Officer;

II. ADDITIONAL WORK TO BE REQUESTED FROM THE SECRETARIAT ¹

In relation to the consumption manufacturing sector

- (a) [The Executive Committee decided to consider at a future meeting to request the Secretariat to undertake additional work, including to determine cost-effectiveness thresholds and thresholds for incremental operational costs for HFC-phase-down activities in the consumption manufacturing sector once progress in the implementation of HFC investment projects has been made;]

III. OTHER GENERAL MATTERS RELATED TO HFC PHASE-DOWN ²

- (a) To agree on the following prerequisites for an Article 5 country to access Multilateral Fund funding other than for enabling activities for the phase-down of HFC consumption and production:
 - (i) Ratification, acceptance, or accession to the Kigali Amendment;
 - (ii) Establishment of an agreed starting point for a sustained aggregate reduction in HFC consumption and production, on the understanding that any phase-down of HFCs resulting from any project that might be approved by the Executive Committee would be deducted from the country's starting point;
- (b) [To agree that institutions and capacities in Article 5 countries developed with Multilateral Fund assistance for the phase-out of ODS should be used to the extent possible for the phase-down of HFCs]; and
- (c) [To agree that the existing policies and guidelines of the Multilateral Fund [where applicable] for funding the phase-out of ODS would be applicable to the funding of HFC phase-down [unless decided otherwise] [as long as agreed upon] by the Executive Committee [taking into account in particular decision XXVIII/2].]

¹ As contained in paragraph 46 of document UNEP/OzL.Pro/ExCom/80/55.

² As contained in paragraph 43 of document UNEP/OzL.Pro/ExCom/80/55.