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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-sixth Meeting
Montreal, 26-30 May 2025
Item 9(d) of the provisional agenda¹

PROJECT PROPOSAL: REPUBLIC OF MOLDOVA

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

Phase-down

- | | | |
|---|------|-----------------------------|
| <ul style="list-style-type: none">• Kigali HFC implementation plan (stage I, first tranche) | UNEP | Individual
consideration |
|---|------|-----------------------------|

¹ UNEP/OzL.Pro/ExCom/96/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Republic of Moldova

PROJECT TITLE				AGENCY			
Kigali HFC implementation plan (stage I)				UNEP (lead)			

LATEST ARTICLE 7 DATA (Annex F)	Year: 2023	205.24 mt	452,288 CO ₂ -eq tonnes
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SECTORAL HFC CONSUMPTION DATA (CO ₂ -eq tonnes) AND ACTIVITIES									
	Aerosol	Foam	Fire-fighting	Air-conditioning and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
Latest CP report (2024)							482,822		
KIP stage I activities as agreed (Y/N)							Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING	183.72 mt	501,390 CO ₂ -eq tonnes
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BASELINE CONSUMPTION DATA (CO ₂ -eq tonnes)	2020	2021	2022	Average 2020-2022
HFC annual consumption	422,249	455,828	626,093	501,390
HCFC baseline (65%)				20,001
HFC baseline				521,391

HFC CONSUMPTION ELIGIBLE FOR FUNDING	
Starting point for sustained aggregate reductions	n/a
Previously approved HFC phase-down investment projects	No
Aggregate reductions from previously approved projects (CO ₂ -eq tonnes)	n/a

PROJECT DATA AS AGREED		2025*	2026	2027	2028	2029	Total	
Consumption (CO ₂ -eq tonnes)	Montreal Protocol limits	521,391	521,391	521,391	521,391	469,252	n/a	
	Maximum allowable	521,391	521,391	521,391	521,391	469,252	n/a	
	Reduction from baseline (%)	0	0	0	0	10	n/a	
Amounts recommended in principle (US \$)	UNEP	Project costs	95,500	0	94,500	0	0	190,000
		Support costs	12,415	0	12,285	0	0	24,700
	Total project costs		95,500	0	94,500	0	0	190,000
	Total support costs		12,415	0	12,285	0	0	24,700
	Total funds		107,915	0	106,785	0	0	214,700

* Recommended for approval at the present meeting

Reduction from remaining consumption eligible for funding in stage I (CO ₂ -eq tonnes)	n/a
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Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

1. The present document contains the following sections:
 - I. Summary of the proposal as submitted
 - II. Background: Status of implementation of the HCFC phase-out management plan and previous HFC-related activities
 - III. HFC consumption overview: HFC consumption levels, trends, and consumption by sector
 - IV. Stage I of the Kigali HFC implementation plan, as submitted: Regulatory framework, phase-down strategy, total stage cost, and implementation plan for the first tranche
 - V. Secretariat's comments, including the agreed cost of activities
 - VI. Recommendation

I. Summary of the proposal as submitted

2. On behalf of the Government of the Republic of Moldova, UNEP as the designated implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), in the amount of US \$190,000, plus agency support costs of US \$24,700, as originally submitted.²
3. The implementation of stage I of the KIP will assist the Government of the Republic of Moldova in meeting the target of 10 per cent reduction from its HFC baseline consumption by 1 January 2029.
4. The first tranche of stage I of the KIP being requested at this meeting amounts to US \$95,500, plus agency support costs of US \$12,415 for UNEP, as originally submitted, for the period of July 2025 to December 2027.

II. Background

Status of implementation of the HCFC phase-out management plan

5. Table 1 presents information on the HCFC phase-out management plan (HPMP) in the Republic of Moldova as of April 2025.

Table 1. HPMP implementation status for the Republic of Moldova

	Stage I	Stage II	Stage III
Meetings when HPMP was approved/updated	63 rd , 74 th	77 th	88 th
Reduction from baseline	10% by 2015	35% by 2020	100% by 2030
Total project cost (US \$)	88,000	174,500	487,500
Date of completion (actual/planned)	4 April 2019	27 October 2023	31 December 2031

² As per the letter of 30 January 2025 from the Public Institution National Office for the Implementation of Environmental Projects of the Ministry of Environment of the Republic of Moldova to UNEP.

Status of implementation of previous HFC-related activities

6. Table 2 presents an overview of activities implemented in the Republic of Moldova in the context of the Kigali Amendment that have been funded by the Multilateral Fund.

Table 2. Previously approved HFC-related activities in the Republic of Moldova

Approval meeting	Project title	Implementing agency	Cost (US \$)	Date of completion
75 th	Survey of ODS alternatives	UNDP*	20,000	March 2017
85 th	Enabling activities for HFC phase-down	UNDP	50,000	December 2022

* Initially approved for UNEP at the 74th meeting; transferred to UNDP at the 75th meeting.

III. HFC consumption overviewHFC consumption levels

7. The Republic of Moldova only imports HFCs for use in the refrigeration and air-conditioning (RAC) servicing sector, RAC installation and assembly and servicing firefighting equipment. The most consumed substances in 2024 were HFC-134a (37.6 per cent of total HFC consumption in CO₂-equivalent (CO₂-eq) tonnes), R-404A (21.5 per cent), R-507A (13.5 per cent), HFC-227ea (13.3 per cent), R-410A (9.2 per cent), and other HFCs (4.9 per cent). Table 3 presents the country's HFC consumption as reported to the Ozone Secretariat under Article 7 of the Montreal Protocol and the country's HFC baseline.

Table 3. HFC consumption (2020–2024 Article 7 data) and baseline in the Republic of Moldova

HFC	GWP	2020	2021	2022	2023	2024*
Metric tonnes (mt)						
HFC-32	675	3.71	2.64	7.15	18.00	12.57
HFC-134a	1,430	60.41	53.39	56.89	90.75	127.02
R-404A	3,922	35.43	40.72	69.22	23.40	26.46
R-507A	3,985	26.07	25.33	41.82	18.98	16.33
HFC-227ea	3,220	10.14	16.00	13.68	28.00	20
R-410A	2,088	14.76	20.10	18.95	16.62	21.3
R-407C	1,774	10.35	9.47	7.29	5.99	3.96
Others**		3.19	2.47	1.98	3.50	3.77
Total (mt)		164.06	170.12	216.98	205.24	231.41
CO₂-eq tonnes						
HFC-32	675	2,504	1,782	4,826	12,150	8,485
HFC-134a	1,430	86,386	76,348	81,353	129,773	181,639
R-404A	3,922	138,942	159,688	271,453	91,765	103,766
R-507A	3,985	103,889	100,940	166,653	75,635	65,075
HFC-227ea	3,220	32,651	51,520	44,050	90,160	64,400
R-410A	2,088	30,812	41,959	39,558	34,694	44,464
R-407C	1,774	18,359	16,798	12,931	10,625	7,024
Others**		8,705	6,793	5,269	7,485	7,969
Total (CO₂-eq tonnes)		422,249	455,828	626,093	452,288	482,822
HFC baseline calculation (CO₂-eq tonnes)						
HFC average consumption in 2020–2022					501,390	
HCFC baseline (65%)					20,001	
HFC baseline					521,391	

* Country programme (CP) data

** Including HFC-23, R-448A, R-422D, R-449A, R-452A and R-508B

Country programme implementation report

8. The sectoral HFC consumption data provided by the Government of the Republic of Moldova in its CP implementation report for 2023 is consistent with the data reported under Article 7 of the Montreal Protocol.

HFC consumption trends

9. HFC consumption increased by 4 per cent in 2021 and 32 per cent in 2022 (in mt) compared to 2020, following the economic slowdown caused by the COVID-19 pandemic. The recovery in 2022 led to increased demand for HFC imports to service additional RAC equipment. Furthermore, increasing awareness among stakeholders regarding the 2024 consumption freeze, which established the framework for annual import quotas on HFCs starting in 2024, prompted importers to stock up HFC inventory in anticipation of future restrictions.

HFC consumption by sector

10. HFCs are mainly consumed for servicing in mobile air-conditioning (MAC) (28.6 per cent in mt and 14.9 per cent in CO₂-eq tonnes), followed by industrial refrigeration (24.5 per cent in mt and 32.8 per cent in CO₂-eq tonnes), local installation and assembly (15.4 per cent in mt and 21.2 per cent in CO₂-eq tonnes), residential air-conditioning (10.8 per cent in mt and 5.3 per cent in CO₂-eq tonnes), and other subsectors, as shown in tables 4 and 5.

Table 4. HFC consumption in the Republic of Moldova in the refrigeration and AC servicing subsectors in mt (2023)

Sector	HFC-32	HFC-134a	R-404A	R-507A	R-407C	HFC-227ea	R-410A	Other ¹	Total	Share of total (%)
Refrigeration and AC servicing										
Refrigeration subsectors										
Domestic	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.1
Commercial	0.00	0.50	8.51	10.70	0.05	0.00	0.00	0.00	19.75	8.8
Industrial	0.00	1.23	24.17	23.95	3.81	0.00	0.49	1.36	55.01	24.5
Transport	0.00	0.59	7.51	0.00	0.00	0.00	0.00	0.00	8.10	3.6
Air-conditioning subsectors										
Residential	12.46	0.00	0.00	0.00	0.29	0.00	11.58	0.00	24.33	10.8
Mobile	0.00	64.40	0.00	0.00	0.00	0.00	0.00	0.00	64.40	28.6
Other ³	0.35	2.21	0.00	0.00	0.25	0.00	1.65	0.00	4.47	2.0
Subtotal for servicing	12.81	69.19	40.18	34.64	4.40	0.00	13.73	1.36	176.31	78.4
Local installation and assembly	0.00	0.84	10.58	21.03	0.00	0.00	0.00	2.18	34.63	15.4
Firefighting	0.00	0.00	0.00	0.00	0.00	13.93	0.00	0.00	13.93	6.2
Total	12.81	70.03	50.76	55.67	4.40	13.93	13.73	3.55	224.87²	100

¹ Includes R-422D, R-448A, R-449A and R-425A

² Includes HFCs consumed from stockpiled quantities from previous years

³ Includes chillers and heat pumps

Table 5. HFC consumption in the Republic of Moldova in the refrigeration and AC servicing subsectors in CO₂-eq tonnes (2023)

Sector	HFC-32	HFC-134a	R-404A	R-507A	R-407C	HFC-227ea	R-410A	Other ¹	Total	Share of total (%)
Refrigeration and AC servicing										
Refrigeration subsectors										
Domestic	0	360	0	0	0	0	0	0	360	0.1
Commercial	0	714	33,353	42,624	94	0	0	0	76,784	12.4
Industrial	0	1,763	94,765	95,421	6,757	0	1,031	3,478	203,215	32.8
Transport	0	842	29,443	0	0	0	0	0	30,286	4.9
Air-conditioning subsectors										
Residential	8,408	0	0	0	518	0	24,180	0	33,106	5.3
Mobile	0	92,096	0	0	0	0	0	0	92,096	14.9
Other ³	236	3,166	0	0	440	0	3,453	0	7,295	1.2
Subtotal for servicing	8,645	98,942	157,562	138,044	7,808	0	28,663	3,478	443,143	71.6
Local installation and assembly	0	1,201	41,487	83,789	0	0	0	4,735	131,212	21.2
Firefighting	0	0	0	0	0	44,848	0	0	44,848	7.2
Total	8,645	100,143	199,049	221,833	7,808	44,848	28,663	8,213	619,203²	100

¹ Includes R-422D, R-448A, R-449A and R-425A

² Includes HFCs consumed from stockpiled quantities from previous years

³ Includes chillers and heat pumps

Refrigeration and air-conditioning servicing sector

11. There are approximately 550 technicians and 150 workshops servicing RAC equipment in the Republic of Moldova. Additionally, a large number of workshops service MAC equipment. The RAC sector is predominantly male, with no female technicians currently employed.

12. The Republic of Moldova lacks a national refrigerant reclamation centre, necessitating private enterprises to handle recovery and recycling, using equipment such as portable recovery stations, vacuum pumps, and leak detectors, with support from relevant organizations. Law No. 43 (2023) mandates that enterprises collect and store F-gases for recycling or disposal, and certified servicing companies must report annual recovered and recycled refrigerant quantities.

Domestic, commercial, industrial and transport refrigeration servicing

13. The domestic refrigeration sector predominantly uses isobutane (R-600a), with 838,077 units in 2023, while 63,000 units are based on HFC-134a.

14. Commercial refrigeration equipment relies primarily on R-507A and R-404A, with a growing adoption of natural refrigerants (R-290, R-744). This equipment is mainly used in food retail distribution, such as stand-alone units in supermarkets. The consumption of R-507A and R-404A increased as transitional alternatives to HCFC-22, preceding a complete transition to low-global-warming-potential (GWP) solutions (e.g., R-290).

15. The industrial refrigeration sector is the largest consumer of HFCs in CO₂-eq tonnes, supporting the country's agrarian economy with numerous cold storage facilities for fruits and vegetables. This subsector primarily uses R-404A and R-507A, with R-422D introduced as a retrofit alternative to HCFC-22-based systems. Transition to lower-GWP alternatives, such as R-448A and R-449A, is expected to increase.

16. Transport refrigeration relies on R-404A and HFC-134a, with 8,255 HFC-based units in operation in 2023. The consumption of these refrigerants increased from 5.76 mt in 2019 to 8.10 mt in 2023 for all applications, including road vehicles and trailers. The adoption of low-GWP alternatives such as R-744 has been limited.

Residential air-conditioning servicing

17. In 2023, there were 472,953 HFC-based and 20,692 HCFC-22-based air-conditioning units in operation, along with over 2,000 units based on HC-290. HFC-32 is the most widely used refrigerant, with future trends suggesting its broader adoption as a transitional refrigerant.

18. R-410A and HFC-32 are the primary refrigerants for servicing heat pumps, while R-410A, R-407C, and HFC-134a are used for chillers. While consumption for heat pumps was minimal in 2023, chillers required 1.3 mt of R-410A and 2.2 mt of HFC-134a, with usage declining. Currently, no low-GWP alternatives are in use in this equipment and HFC-32 could be a viable intermediate solution for smaller chillers and HFC-32 or HC-290 where feasible for heat pumps.

Mobile air-conditioning servicing

19. The MAC sector is the third largest contributor to refrigerant use and emissions. Most motor vehicles are installed with HFC-134a-based air-conditioning units, while a smaller percentage with HFO-1234yf-based units, primarily found in new high-end cars and vans.

Local installation and assembly subsector

20. This subsector is engaged in the assembly and installation of industrial systems, primarily for cold storage, supermarkets, and industrial facilities. In 2023, a total of 519 industrial systems were assembled. Detailed consumption data for these applications is currently unavailable.

Firefighting servicing

21. Servicing of firefighting equipment exclusively uses HFC-227ea, which represented 6.2 per cent (in mt) of the total HFC consumption in 2023.

IV. Stage I of the Kigali HFC implementation plan as submitted

Institutional, policy and regulatory framework

22. The Republic of Moldova's institutional framework for implementing the Montreal Protocol and the KIP involves several key national bodies. The Ministry of Environment serves as the focal point for the Protocol's implementation, overseeing policy development, regulation enforcement, and interagency coordination. The Environmental Protection Inspectorate is responsible for monitoring compliance, conducting inspections, and enforcing penalties for violations. The Environment Agency manages the licensing system, ensuring that quotas for controlled substances are allocated, and imports are recorded. The Customs Service plays a crucial role in border control, verifying import and export documentation, and preventing illegal trade of HFCs and HCFCs. Additionally, the National Bureau of Statistics collaborates with these agencies to collect and report data on the consumption of controlled substances in accordance with national and international obligations.

23. The Republic of Moldova has established a comprehensive HFC licensing and quota system, regulated by Law No. 43 (2023), which governs the import, use, and trade of HFCs and related equipment. The system operates through an annual quota allocation process, ensuring compliance with the HFC phase-down schedule. The country has also adopted several national regulations to support HFC phase-down, including bans on the import of high-GWP refrigerants in certain applications and the

requirement for certified technicians to handle controlled substances. The country's legal framework aligns with European Union (EU) regulations, particularly Regulation (EU) No. 517/2014 on fluorinated greenhouse gases (GHG), with further efforts underway to integrate new EU F-gas and ODS regulations.

24. In terms of energy efficiency policies, the Republic of Moldova has minimum energy performance standards (MEPS) and labelling requirements for various electrical appliances, including RAC equipment. The adoption of green public procurement policies further promotes the use of low-GWP and energy-efficient technologies. As part of its commitment to GHG emissions reduction and environmental sustainability, the Republic of Moldova continues to develop and harmonize its national standards with international best practices to facilitate the transition to low-GWP alternatives.

Phase-down strategy for stage I of the Kigali HFC implementation plan

Overarching strategy

25. The primary focus of the strategy, as submitted, is to achieve the 2024 freeze and the 10 per cent reduction step by 2029. The KIP will focus on reducing HFC demand, strengthening institutional capacity to ensure compliance with the Kigali Amendment, implementing and enforcing the licensing and quota system, promoting the safe adoption of low-GWP alternatives, and enhancing monitoring and reporting mechanisms to track progress in HFC phase-down efforts.

Proposed reductions

26. The Government of the Republic of Moldova and UNEP forecasted consumption in a business-as-usual (BAU) scenario. The BAU scenario projects a constant annual growth of 2 per cent until 2029. The projection takes into consideration the consumption of each substance based on their primary uses, population and economic growth, current and future HCFC phase-out measures, and alternatives to HFCs being phased in independently of the Kigali Amendment. In this scenario, the growth of HFC consumption is expected to exceed the control level by 2029, as shown in table 6.

Table 6. HFC consumption forecast under the unconstrained scenario, Montreal Protocol limits, and proposed HFC reductions under stage I (CO₂-eq tonnes)

	2025	2026	2027	2028	2029
HFC consumption forecast at an annual growth rate of 2 %*	492,478	502,328	512,375	522,623	533,075
Montreal Protocol HFC consumption limits	521,391	521,391	521,391	521,391	469,252
HFC consumption levels proposed under the KIP	521,391	521,391	521,391	521,391	469,252
Proposed reductions from the HFC consumption baseline (%)	0	0	0	0	10

* Calculated based on the consumption of 2024 (482,822 CO₂-eq tonnes) reported under the CP data as previous consumption and taking into account the expected economic growth alongside a declining population.

Proposed activities

27. Activities in the servicing sector proposed for implementation under stage I and the first tranche and their cost breakdown are presented in table 7.

Table 7. Servicing sector activities and their costs in stage I and the first tranche of the KIP for the Republic of Moldova as submitted

Activity	Cost (US \$)	
	Stage	First tranche
Strengthening the legal, policy, and regulatory framework: Developing new legislation, government decisions, and regulations, with a focus on further harmonization with EU regulations; establishing green public procurement criteria for energy-efficient RAC equipment using zero-ODP and low-GWP refrigerants; improving the quota and reporting systems; and further developing standards for handling low-GWP technologies	33,000	18,500
Capacity-building of customs officers and economic operators: Developing guidelines for customs brokers and training of 60 customs officers and 20 customs brokers on the control and identification of HFCs and HFC-based equipment through enforcement of import regulations, implementation of licensing and quota systems, prevention of illegal trade, and improved data monitoring and reporting using harmonized customs codes; conducting workshops for importers and distributors of refrigerants and equipment on the laws and regulations governing the import of controlled substances and equipment, and addressing the risks associated with the handling, storage, and repackaging of certain refrigerants; and training of customs officers on the use of refrigerant identifiers and provision of additional refrigerant identifiers	42,000	9,500
Capacity-building of RAC technicians and environmental inspectors: Training of two additional trainers on the safe use of alternatives; training and (re-)certifying of 60 RAC and MAC technicians on the safe handling of low-GWP refrigerants, leakage control, and energy-efficient RAC technologies; developing a handbook for environmental inspectors on monitoring and controlling products and equipment and leak detection procedures in collaboration with the Environmental Protection Inspectorate; and implementing a capacity-building programme for informal sector technicians	34,000	24,000
Strengthening technical capacities for refrigeration management: Rehabilitation and upgrading of two RAC training centres, Tehnofrig and the University Centre for Continuing Education (UCCE), to facilitate the training and certification of technicians on the safe use of toxic and/or flammable refrigerants, through the recruitment of a consultant to conduct safety inspections and recommend facility upgrades to meet international safety standards; purchase and installation of essential safety equipment, including smoke detectors, flame control systems, fire-resistant glass, ventilation systems, and emergency exits	42,000	24,000
Communication, information dissemination, awareness raising and outreach: Establishing and maintaining a website and hotline with relevant legislation and explanations tailored for stakeholders; conducting technology awareness sessions for investors, building owners, architects and building planners; conducting awareness campaigns for informal RAC technicians regarding flammable and toxic refrigerants; preparing and distributing informative materials on ODS and HFC import regulations with clear customs coding; holding meetings to promote the handbook on refrigerant handling standards; and organizing targeted campaigns to support female students in RAC	24,000	12,000
Project coordination and monitoring	15,000	7,500
Total	190,000	95,500

Project implementation, coordination and monitoring

28. The Montreal Protocol Unit (MPU) will be responsible for the overall administration of the KIP implementation and monitoring. A budget of US \$15,000 is proposed for the recruitment of national consultants (US \$8,000), domestic travel (US \$3,000) and meetings and other activities (US \$4,000).

Total cost of stage I of the Kigali HFC implementation plan

29. The budget for stage I has been proposed at US \$190,000. The costs of activities in the refrigeration servicing sector have been proposed in line with decision 92/37.

Implementation plan for the first tranche

30. The first funding tranche of stage I of the KIP was submitted at a total amount of US \$95,500, as shown in table 7 above, to be implemented between July 2025 and December 2027. Detailed information on the activities to be implemented under the first tranche and level of funds agreed are presented in paragraph 40.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

31. UNEP informed the Secretariat that the Republic of Moldova established the “National HFC Phase-out Programme (2024-2045)” as the strategic roadmap to comply with its obligations under the Kigali Amendment. The programme prioritizes regulatory alignment with EU standards, capacity-building for customs and the servicing sector, and promoting the use of low-GWP refrigerants. Key activities include adopting relevant legislations, strengthening the national reporting system, implementing technical training, incentivizing equipment replacement, and demonstrating low-GWP technologies, particularly in commercial refrigeration. The programme is expected to receive government approval in early 2025.

32. Considering that the HFC component of the baseline represents approximately 96 per cent of the baseline, the Secretariat consulted UNEP about the possibility of the country committing to a higher reduction target for 2029, as well as the possibility of reducing HFC consumption by 10 per cent of the country's average HFC consumption in the baseline years (i.e., 13.5 per cent of the country's baseline). UNEP explained that, after consultations with relevant stakeholders and policymakers, the Government prefers to maintain the consumption targets at 90 per cent of the HFC baseline, as originally submitted, and is not in a position to commit to additional reductions for stage I of the KIP.

Institutional, policy and regulatory framework

HFC licensing and quota system

33. In line with decision 87/50(g), UNEP has confirmed that the Republic of Moldova has an established and enforceable system of licensing and quotas for monitoring HFC imports in place. The country has already issued HFC import quotas for 2025 at 511,825 CO₂-eq tonnes, which is lower than the Montreal Protocol control targets.

Regulatory framework

34. The Secretariat inquired about the relatively late implementation date (January 2030) for bans on the import of HFC-based domestic refrigerators, stand-alone commercial refrigeration, and residential air-conditioning equipment, noting the availability of low-GWP alternative technologies currently on the market. UNEP clarified that the specified dates are set by Law No. 43/2023 on fluorinated GHG adopted on 3 March 2023, following extensive consultations during its preparation and adoption phases. Altering these dates would require amending the law, a process considered challenging and currently not planned.

35. Currently, the explicit ban on charging or installing equipment using HFCs with a GWP greater than 150, effective from 1 January 2025, applies specifically to the motor vehicle air-conditioning subsector, as stipulated by GD No. 1242 (2016). Although the Republic of Moldova has established broader legislative frameworks, notably through Law No. 43/2023, to phase down HFC usage and regulate import quotas across various sectors, specific bans for other subsectors, including domestic and commercial refrigeration, industrial refrigeration, and stationary air-conditioning equipment, are scheduled to be introduced progressively between 2025 and 2029. At present, the motor vehicle air-conditioning subsector remains the only category with a clearly defined impending ban.

36. The Secretariat also inquired if the certification of technicians for servicing refrigeration, air-conditioning, and heat-pump (RACHP) equipment is mandatory. UNEP confirmed that there are several colleges, technical vocational schools, and one centre of excellence which provide RAC training and certification for technicians.³ RAC technicians must be certified by law⁴ to legally perform installation, maintenance, and servicing of equipment, refrigerant recovery, and leak checks, with mandatory certification every three years, and uncertified individuals cannot purchase or handle refrigerants.

Decision XXXV/16 of the Parties

37. The Secretariat noted that the Republic of Moldova was one of the Parties listed in decision XXXV/16,⁵ and that the Government intends to make every effort to comply with the Montreal Protocol control measures through the KIP implementation. In light of decision XXXV/16, the Secretariat would seek guidance from the Executive Committee on the procedure to be followed if the HFC consumption level in the year 2025 was above the Montreal Protocol control limits.

Total project cost

38. At the total cost of US \$190,000, stage I of the KIP for the Republic of Moldova will result in a reduction of 52,139 CO₂-eq tonnes from the country's HFC baseline consumption.

39. Stage I of the KIP will be implemented in two tranches.

Implementation plan for the first tranche of the Kigali HFC implementation plan

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

- (a) *Strengthening the legal, policy and regulatory framework:* Development of new legislation, government decisions and regulations, including through further harmonization with the EU regulations; development of green public procurement criteria for purchasing energy-efficient RAC equipment based on zero-ODP and low-GWP refrigerants;

³ Two technical vocational schools: Vocational Schools No. 10 in Chişinău which specializes in refrigeration and electromechanical training, and No. 4 in Balti which provides training for mechanics and electricians in refrigeration installations; the Technological College, Chişinău (TCC) and Balti Technological College provide courses for RAC technicians, and the Centre of Excellence in Energetics and Electronics (CEEE) in Chişinău offers a refrigeration technician qualification.

⁴ The certification of RAC technicians was first introduced by Law No. 228 of 10 October 2013, which limited access to refrigerants to technicians who are not trained and certified and Law No. 43/2023 on fluorinated GHG on 3 March 2023. The latter transposes Regulation (EU) No. 517/2014 of the European Parliament and of the Council of 16 April 2014 on F-gases. It sets out the duties and responsibilities of enterprises and operators carrying out activities for RACHP technicians.

⁵ To address the impacts of the COVID-19 pandemic on HFC baseline consumption for certain Article 5 countries including the Republic of Moldova, the Meeting of the Parties *inter alia* decided that the Implementation Committee under the Non-Compliance Procedure of the Montreal Protocol should defer, until 2026 data becomes available, any consideration of compliance status with regard to control measures for consumption of Annex F substances on the understanding that the countries will continue to make every effort to comply with these control measures.

improving the quota and reporting systems; and further development of standards for handling low-GWP technologies (US \$18,500);

- (b) *Capacity-building of customs officers and economic operators:* Development of guidelines for customs brokers; two training sessions for 15 customs officers each and one training session for 10 customs brokers on the control and identification of HFCs and HFC-based equipment through enforcement of import regulations, implementation of licensing and quota systems, prevention of illegal trade, and improved data monitoring and reporting using harmonized customs codes; and two workshops for importers and distributors of refrigerants and equipment on the laws and regulations governing the import of controlled substances and equipment, and addressing the risks associated with the handling, storage, and repackaging of certain refrigerants (US \$9,500);
- (c) *Capacity-building of RAC technicians and environmental inspectors:* Training of two additional trainers on the safe use of alternatives; one training and (re)certification session of 20 RAC and MAC technicians on the safe handling of low-GWP refrigerants, leakage control, and energy-efficient RAC technologies; development of a handbook for environmental inspectors on monitoring and controlling products and equipment and leak detection procedures in collaboration with the Environmental Protection Inspectorate; and capacity-building programme for informal sector technicians (US \$24,000);
- (d) *Strengthening technical capacities for refrigeration management:* Rehabilitation and upgrading of two RAC training centres, Tehnofrig and UCCE, to facilitate the training and certification of technicians on the safe use of toxic and/or flammable refrigerants, through the recruitment of a consultant to conduct safety inspections and recommend facility upgrades to meet international safety standards; purchase and installation of essential safety equipment, including smoke detectors, flame control systems, fire-resistant glass, ventilation systems, and emergency exits (US \$24,000);
- (e) *Communication, information dissemination, awareness-raising and outreach:* Establishment and maintenance of a website and hotline with relevant legislation and explanations for each group of stakeholders; technology awareness-raising of investors, building owners, architects, and building planners; awareness-raising campaigns for informal RAC technicians on flammable and/or toxic refrigerants; preparation and dissemination of posters and other information material with the main rules and regulations on the imports of ODS and HFCs and clear indication of customs codes; and targeted campaign and support for female students in RAC (US \$12,000); and
- (f) Coordination, monitoring, reporting and evaluation (US \$7,500) with the following breakdown: Locally recruited consultants (US \$4,000); travel (US \$1,500); meetings (US \$1,500); and other costs (US \$500).

Co-financing

41. The MPU will coordinate closely with UNEP during the KIP implementation period to explore possible co-financing opportunities or incentives. This collaboration may include partnering with educational institutions and industry associations to strengthen training and certification capacities, and with customs and environmental inspectors to enforce Montreal Protocol-related trade provisions and national legislation. Additionally, during stage I of the KIP, co-financing will be secured to adapt a training facility for handling flammable refrigerants.

2025–2027 business plan of the Multilateral Fund

42. UNEP is requesting US \$190,000, plus agency support costs, for the implementation of stage I of the KIP for the Republic of Moldova. The total value of US \$107,915, including agency support costs, requested for the period of 2025–2027, is US \$4,085 below the amount in the business plan.

Gender policy implementation

43. The Republic of Moldova and UNEP are fully committed to implementing the Multilateral Fund's operational policy on gender mainstreaming within the KIP. The country will take measures, including awareness and outreach programmes, to enhance female participation in KIP activities within the RAC sector, including training and certification programmes, encourage their involvement in technical professions, and ensure their opportunities in training, employment, and decision-making. These efforts are integrated into the action plan for the entire stage, including the first tranche of the KIP.

Sustainability of the HFC phase-down and assessment of risks

44. Potential risks to the successful implementation and long-term sustainability of the KIP include limited market uptake of low-GWP technologies and potential illegal trade. These risks are being mitigated through robust national measures, including the certification and continuous training of RAC technicians aligned with EU regulations, the establishment of a dedicated customs training centre, and ongoing awareness efforts to promote low-GWP alternatives. National ownership and institutional capacity-building are central to ensuring that achievements under stage I of the KIP are sustained, with mechanisms in place to monitor and report progress, and maintain stakeholder engagement beyond project completion.

Impact on the climate

45. The activities proposed, including increasing training capacity for the safe handling of alternatives to HFCs in the RAC and MAC servicing sectors, initiating programmes to improve servicing practices in the MAC sector, and to strengthen the regulatory environment, indicate that the implementation of stage I of the KIP will reduce refrigerant emissions into the atmosphere, resulting in climate benefits. A calculation of the impact on the climate of the activities in the KIP indicates that by 2029, the Republic of Moldova will have reduced its emissions by approximately 52,139 CO₂-eq tonnes of HFCs, calculated as the difference between the HFC baseline for compliance and the 2029 target, assuming that all HFCs consumed would eventually have been emitted.

Draft Agreement

46. A draft Agreement between the Government of the Republic of Moldova and the Executive Committee for stage I of the KIP is contained in annex I to the present document.

Coordination of activities in the servicing sector under HCFC phase-out and HFC phase-down plans

47. In stage I of the KIP, efforts aimed at phasing down HFC consumption are aligned with those targeting the phase-out of HCFCs under stage III of the HPMP, fostering complementary outcomes while avoiding duplication. Specifically, the HPMP primarily promotes the recovery, recycling, and reclamation of refrigerants and the enhancement of associated infrastructure, whereas the KIP emphasizes the safe adoption of low-GWP refrigerants, certification of service technicians, and upgrading of training facilities to safely handle flammable refrigerants. Training activities under both plans are closely integrated, sharing premises, resources, and international expertise, thus ensuring cost-effectiveness and consistent capacity-building outcomes. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

48. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for the Republic of Moldova for the period 2025–2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$190,000, plus agency support costs of US \$24,700, for UNEP;
- (b) Noting that, if the HFC consumption level for the Republic of Moldova for the year 2025 was above the Montreal Protocol control limits or the maximum allowable consumption in the Agreement between the Government of the Republic of Moldova and the Executive Committee, on the understanding that the Government of the Republic of Moldova would continue to make every effort to meet those control limits, the Secretariat would inform and seek guidance from the Executive Committee on the procedure to follow in light of decision XXXV/16;
- (c) Approving the draft Agreement between the Government of the Republic of Moldova and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex I to the present document; and
- (d) Approving the first tranche of stage I of the KIP for the Republic of Moldova and the corresponding tranche implementation plan, in the amount of US \$95,500, plus agency support costs of US \$12,415, for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROFLUOROCARBONS IN ACCORDANCE WITH STAGE I OF THE KIGALI HFC IMPLEMENTATION PLAN (Period: 2025–2029)

Purpose

1. This Agreement represents the understanding of the Government of the Republic of Moldova (“the Country”) and the Executive Committee with respect to the reduction of controlled use of Annex F substances set out in Appendix 1-A (“The Substances”) to a sustained level of 469,252 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.
2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A, and in respect to any consumption of Annex F substances that exceeds the level[s] defined in row[s] 4.1.3 [and 4.2.3] (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan (“the Plan”) as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

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

Flexibility in the reallocation of funds

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

- (a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes that would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO₂-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;
- (b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

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

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

Bilateral and implementing agencies

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

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

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each CO₂-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

Date of completion

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

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

Validity

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

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption
To be determined	

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	% reduction	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	521,391	521,391	521,391	521,391	469,252	n/a
1.2	Maximum allowable total consumption of Annex F substances	% reduction	0	0	0	0	10	n/a
		CO ₂ -eq tonnes	521,391	521,391	521,391	521,391	469,252	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		95,500	0	94,500	0	0	190,000
2.2	Support costs for Lead IA (US \$)		12,415	0	12,285	0	0	24,700
3.1	Total agreed funding (US \$)		95,500	0	94,500	0	0	190,000
3.2	Total support costs (US \$)		12,415	0	12,285	0	0	24,700
3.3	Total agreed costs (US \$)		107,915	0	106,785	0	0	214,700
4.	To be determined							

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-down of Annex F substances, how the different activities contribute to it, and how they relate to each other, including, where applicable, activities related to energy efficiency approved in the context of HFC phase-down pursuant to decision 91/65. The report should include the amount of Annex F substances consumption reduced as a direct result of the implementation of activities, by substance, the alternative technology used and the related

phase in of alternatives, to allow the Secretariat to inform the Executive Committee on the resulting change in climate relevant emissions. The report should also include quantitative information on the activities implemented and further highlight the successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, use of flexibility for the reallocation of funds during implementation of a tranche as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report on the Plan's results and the consumption of Annex F substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification of consumption data must be provided with each tranche request, covering all relevant years for which a verification report has not yet been acknowledged by the Committee, as specified in subparagraph 5(a) of the Agreement;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche including quantitative information, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the Plan will be provided by calendar year. The description should include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall Plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph 1(a) above; and
- (d) An Executive Summary of about five paragraphs, summarizing the information contained in subparagraphs 1(a) to 1(c) above.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Plan will be implemented by the Montreal Protocol Unit (MPU) of the National Office for the Implementation of Environmental Projects (ONIPM), subordinated to the Ministry of Environment of the Country, with support from the Lead IA as the sole implementing agency. The MPU will coordinate all project activities described in the Plan.

2. The Lead IA will apply the UN rules and regulations, and administrative procedures towards implementation of the Plan. It will use the national implementation modality based on legal instruments such as the small-scale funding agreements requiring regular progress and expenditure reporting to release subsequent payments. The Lead IA may engage consultants or procure goods and services as needed for the delivery of equipment and tools planned under the Plan. The Lead IA shall report progress and expenditures as part of the annual progress reporting to the Fund Secretariat.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

- 1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in the preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

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

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$7.00 per CO₂-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently confiscated, destroyed, exported, or returned to the country of origin.

Annex II

**SIMULTANEOUS IMPLEMENTATION OF THE HCFC PHASE-OUT MANAGEMENT PLAN
AND THE KIGALI HFC IMPLEMENTATION PLAN IN THE REPUBLIC OF MOLDOVA**

	HPMP – stage III		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Legal, policy and regulatory framework					
Harmonization of the legal and regulatory measures with the EU regulations	New legislation and regulatory measures for implementation of HCFC quota system and harmonisation of national regulations with EU legislation, including EU regulation 1005/2009, EU regulation 517/2014 and EU regulation 2067/2015	29,000	Development of new legislation, Government decisions and regulations, including through further harmonization with the EU regulations	33,000	62,000
Feasibility studies	Feasibility study on economic instruments to discourage use of HCFC-22 in equipment and financing schemes for adopting low-GWP alternatives, including stakeholder consultations		Development of green public procurement criteria for purchasing energy-efficient RAC equipment based on zero-ODP and low-GWP refrigerants		
Improving the licensing, quota and reporting system	Web-based electronic reporting and licensing system for HCFCs, including training for importers, distribution companies selling refrigerants in the market, end-users and public institutions		Improving the quota and reporting systems		
Standards on handling low-GWP technologies			Further development of standards on handling low-GWP technologies		
Capacity-building of customs officers and economic operators					
Training material	Updating training curricula and training materials for customs and enforcement officers	20,000	Development of guidelines for customs brokers	42,000	62,000
	Third edition of the “Handbook for Customs and Enforcement Officers”				
Training of customs officers	Four training workshops for 80 customs and enforcement officers on enforcement of regulations for controlling and monitoring HCFCs				

	HPMP – stage III		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Training for economic operators			Workshops for importers and distributors of refrigerants and equipment		
Refrigerant identifiers			Training of customs officers on the use of gas identifiers and provision of additional gas identifiers		
Capacity-building of RAC technicians and environmental inspectors					
Training of trainers	Training of one national expert trainer on safe use of low-GWP alternative technologies	52,000	Training of additional national trainers on the safe use of alternatives	34,000	86,000
Training material	Updating training curricula and distributing training materials for refrigeration technicians and environmental inspectors				
Training of RAC technicians	Eight training workshops and certification of 120 refrigeration technicians on good service practices and safe use of HCFC-free low-GWP alternatives		Training and (re-)certification of 60 RAC and MAC technicians		
Training of environmental inspectors	Four training workshops for 80 environmental inspectors on inspection to control leakage of large HCFC-based refrigeration equipment		Development of a handbook for environmental inspectors and an agreement with the Environmental Protection Inspectorate		
Inclusion of informal sector			Capacity-building programme for informal sector technicians		
Facilitating the introduction of low-GWP technologies					
Incentive programme for the adoption of low-GWP technologies	Recruitment of national consultant(s) to provide technical and consultative expertise related to scaling up the CO ₂ technology in the commercial refrigeration sector (two medium and two large commercial refrigeration equipment users), and demonstrating technologies based on other natural refrigerants	183,500			183,500
	Assembly of installations based on HC-refrigerants (i.e., HC-290 or HC-1270)				
	Implementation of awareness workshops for scaling up the technology and on the demonstration programme on other natural refrigerants				

	HPMP – stage III		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
	Awareness programmes for dissemination of results and scaling up the technologies after completing the installations with alternative refrigerants				
Strengthening of technical and human capacities for refrigeration management					
Equipment support for leak detection for environmental inspectors	Supply of 36 sets of electronic leak detectors to the Inspectorate for Environment Protection Territorial Agencies and Inspections for inspection of leakage in large capacity RAC equipment	9,000			9,000
Equipment support to service technicians and technical institutions for good service practices and adopting low GWP technologies	Supply of additional training equipment (e.g., training boards, recovery machines, vacuum pumps and service tools) for three training institutions	82,500			82,500
	Support for 15 technicians for servicing equipment (e.g., charging station/vacuum pump, welding kit, hoses kit, leak detector)				
Technical capacity development measures for adoption of low-GWP refrigerants and awareness and information outreach	Feasibility study on the benefits of improved cooling efficiency and sustainability, including stakeholder consultation	10,000			10,000
	Cooperation with the State Hydrometeorological Service for including ultraviolet (UV) radiation index and stratospheric ozone observations in the weather forecasts				
Strengthening the Public Association of Refrigeration Technicians	Development of materials to raise awareness on HCFC-free low-GWP alternatives	24,000			24,000
	Four roundtables to promote adoption of HCFC alternative technologies				

	HPMP – stage III		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Recovery, recycling, and reclamation (RRR) programme	Recruitment of a consultant for design of specifications of RRR equipment, procurement support and development of guidelines for the RRR scheme	66,500			66,500
	Procedures and steps for equipment registration and leak checks for service technicians and equipment owners/operators, and training for adoption by the technicians and equipment owners/operators				
	Incentive system for replacement of HCFC-based equipment with low-GWP refrigerant-based equipment				
	Procurement of RRR equipment (e.g., reclamation machine, cylinders, vacuum pumps, recovery machines)				
	Eight training workshops for service technicians/equipment owners/operators/importers, to introduce the guidelines for the RRR scheme and raise awareness on the incentive system on replacement of HCFC-based equipment with low GWP technologies				
	Technical support for awareness and outreach programmes for promoting adoption recovery and reclamation programme and low-GWP technologies in commercial applications				
Training centres			Rehabilitation and upgrading of the training centres to conduct training/ certification on the safe use of alternatives	42,000	42,000

	HPMP – stage III		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Communication, information dissemination, awareness raising and outreach (CIAO)					
CIAO			Establishment and maintenance of a website/hotline with relevant legislation and explanations for each group of stakeholders	6,000	6,000
			Technology awareness-raising of investors, building owners, architects and building planners	4,000	4,000
			Awareness-raising campaigns for informal RAC technicians on flammable and/or toxic refrigerants	4,000	4,000
			Preparation and dissemination of posters and other information material with the main rules and regulations on the imports of ODS and HFCs and clear indication of customs codes	2,000	2,000
			Meetings to raise awareness of the handbook on standards on handling of refrigerants and equipment	4,000	4,000
			Targeted campaigns and support for female students in RAC	4,000	4,000
Coordination, monitoring, reporting and evaluation					
Coordination, monitoring, reporting and evaluation	Monitoring and reporting	11,000	Coordination, monitoring, reporting and evaluation	15,000	26,000
Total		487,500		190,000	677,500
Percentage of total (%)		72.0		28.0	100