



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/92/50

20 April 2023

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-second Meeting
Montreal, 29 May to 2 June 2023
Item 11(d) of the provisional agenda¹

**DRAFT TEMPLATE FOR AN AGREEMENT
FOR STAGE I OF KIGALI HFC IMPLEMENTATION PLANS**

Introduction

1. At the 91st meeting, in the context of the review of stage I of the Kigali HFC implementation plan (KIP) for the Niger, the Secretariat noted the need to prepare a template Agreement that could serve as a reference for the Niger and any other country submitting stage I of a KIP. A preliminary draft Agreement for the KIPs could be prepared following a review of all sections and Appendices of the current HCFC phase-out management plan (HPMP) Agreement template, including adjustments referring to any additional considerations for HFC phase-down and the Kigali Amendment, and taking into account policy decisions on the cost guidelines for HFC phase-down to be made by the Executive Committee.²

2. Accordingly, the Executive Committee decided to request the Secretariat to prepare a draft template for an Agreement for stage I of the KIPs for consideration by the Executive Committee at the 92nd meeting, and to agree that the template Agreement would be reviewed once discussions on the criteria for funding HFC phase-down had been completed (decision 91/38(c) and (d)).

Draft template for an Agreement for stage I of Kigali HFC implementation plans

3. In response to decision 91/38(c), following a review of all sections and Appendices of the current HPMP Agreement template, the Secretariat has prepared the draft template for an Agreement for stage I of the KIPs, presented in the Annex to the present document. It includes all adjustments made to the HPMP Agreement template as a result of the additional considerations for HFC phase-down and the Kigali Amendment. For ease of identification, adjustments are marked in “track changes” and are further explained in the “Adjustments and updates” section below.

¹ UNEP/OzL.Pro/ExCom/92/1

² Overview of issues identified during project review (paras 17 and 18 of document UNEP/OzL.Pro/ExCom/91/28).

4. This draft template will be reviewed once discussions on the criteria for funding HFC phase-down have been completed, in line with decision 91/38(d).

5. Colour-coding has been added to the draft template as explained below and as shown in the Annex:

- Pink is used for all needed entries in the text and the tables
- Green is used for optional paragraphs related to the manufacturing sector or technology, where applicable, and should be removed from the Agreement where not relevant
- Blue is used for the differentiation between one and several implementing agencies

Adjustments and updates

General adjustments and updates

6. References to “HCFCs”, “Annex C Group I substances”, and “ozone-depleting substances” have been updated to “Annex F substances”; references to “ozone-depleting potential (ODP) tonnes” have been updated to “CO₂-equivalent (CO₂-eq) tonnes”; and references to “HCFC phase-out” have been updated to “HFC phase-down”, as relevant. Minor editorial adjustments were also introduced where needed.

Title

7. The period covered by the Agreement has been added to the title for ease of reference and clarity.

Purpose

8. Paragraph 1: The words “and the terms of this Agreement” have been added at the end of the paragraph to read “in compliance with the Montreal Protocol and the terms of this Agreement”, for clarity.

9. Paragraph 2: The last phrase of the paragraph refers to the remaining eligible consumption specified in Appendix 2-A. Whereas HPMP Agreements present the breakdown of the remaining eligible consumption of HCFCs by substance, it is suggested that KIP Agreements include the total remaining eligible consumption for all Annex F substances in a single row, row 4.1.3, and present a single starting point for combined aggregate reductions in the consumption of all Annex F substances in Appendix 1-A (further explained in paragraph 18 below). The remaining eligible consumption for HFCs contained in imported pre-blended polyols will be presented separately in row 4.2.3, in the event that the Executive Committee decides to fund their phase-down, as was done for the HCFCs. As a decision is yet to be made on this matter, the reference to row 4.2.3 in the paragraph is marked in brackets.

Conditions for funding release

10. Paragraph 5: The due date for the Country to satisfy the conditions for funding release when submitting tranche requests was updated from “eight” to “10/12” weeks in advance of the applicable Executive Committee meeting, based on decision 81/30 that extended the submission deadlines for project proposals with a total cost below US \$5 million, including agency support costs, to 10 weeks, and for those with a total cost above US \$5 million, including agency support costs, to 12 weeks.

Flexibility in the reallocation of funds

11. Subparagraph 7(a): The due date for the submission of tranche requests was updated from “eight” to “10/12” weeks in advance of the applicable Executive Committee meeting (see paragraph 10 above).

12. Optional subparagraph 7(c): The words “to be converted to non-HFC technology” have been removed as this phrase applies to all enterprises included in the plan, and the words “post the

21 September 2007” [cut-off date] have been replaced by “after the applicable” [cut-off date], noting that there are two different cut-off dates for HFCs.

13. Optional subparagraph 7(d): This subparagraph is suggested for removal from the KIP Agreement template as it refers to a specific circumstance, relevant only to some polyurethane foam projects. The Secretariat suggests that any text or conditions specific to a sector that need to be included in the Agreement should be determined on a case-by-case basis and listed either in Appendix 8-A regarding sector-specific arrangements and/or in the project approval decision.

14. Optional subparagraph 7(e): This subparagraph is used in HPMP Agreements to refer to conversion from HCFCs to HFCs, and is suggested for removal from the KIP Agreement template, reflecting the flexibility given to Article 5 countries in line with decision XXVIII/2 of the Parties to *inter alia* prioritize HFCs, define sectors, and select technologies and alternatives based on their specific needs and national circumstances. The Secretariat suggests that any additional text or conditions specific to a sector be determined on a case-by-case basis and included either in Appendix 8-A and/or in the project approval decision.

15. Paragraph 8(a): This subparagraph, which was formerly contained in a separate section, “Considerations for the refrigeration servicing sector”, has now been incorporated into the “Flexibility in the reallocation of funds” section, as it refers to the flexibility available under the Agreement to address specific needs that might arise during project implementation in this sector.

16. Subparagraph 8(b): This subparagraph is suggested for removal as it is considered redundant. Following the established practice for the implementation of any project in any sector with Multilateral Fund assistance, the country and relevant bilateral and/or implementing agencies would take into consideration decisions relevant to that sector.

Non-compliance with the Agreement

17. The words “targets in the” have been added to the section title to read “Non-compliance with the targets in the Agreement”, for clarity.

Appendix 1-A: The substances

18. Rather than having the starting point for aggregate reductions in consumption broken down by substance, as is the case in HPMP Agreements, in KIP Agreements the consumption of all Annex F substances is combined into a single starting point for aggregate reductions. This will provide Article 5 countries with more flexibility in prioritizing HFCs, selecting technologies and alternatives, and elaborating and implementing their strategies to meet the agreed phase-down obligations, based on their specific needs and national circumstances and following a country-driven approach, in line with decision XVIII/2 of the Parties.

19. In the column “Starting point for aggregate reductions in consumption” the words “ODP tonnes” have been replaced by “CO₂-eq tonnes” and left in brackets as the Executive Committee has not made a decision on the starting point.

20. Based on the experience with funding the phase-out of HCFC-141b contained in imported pre-blended polyols under the HPMPs, the table includes an optional row for Annex F substances contained in imported pre-blended polyols (in brackets), pending an Executive Committee decision on whether the phase-down of Annex F substances contained in imported pre-blended polyols will be funded.

Appendix 2-A: The targets, and funding

21. To facilitate the reading of the annual consumption targets and commitments, it is proposed that rows 1.1 and 1.2 include, in addition to consumption in CO₂-eq tonnes, the percentage of reductions in consumption from the baseline.

22. In contrast to HPMP Agreements that include the breakdown of phased-out substances, KIP Agreements will group all relevant substances into one category as follows: row 4.1.1 to indicate the total amount of Annex F substances agreed to be phased down under the Agreement; row 4.1.2 to indicate the total amount of Annex F substances phased down under the previous projects (e.g., stand-alone investment projects approved before the submission of stage I), where applicable; and row 4.1.3 to indicate the total remaining eligible consumption for all Annex F substances. In addition, Appendix 2-A includes, in brackets, rows 4.2.1, 4.2.2 and 4.2.3, indicating the same parameters for HFCs contained in imported pre-blended polyols, in the event that the Executive Committee decides to approve funding for their phase-down.

23. The footnote to Appendix 2-A indicating the date of completion of the previous stage has been deleted, as it is not applicable to stage I of the KIPs.

Appendix 4-A: Format of the tranche implementation reports and plans

24. Subparagraph 1(a): The following language has been added in reference to the progress report on the implementation of activities related to energy efficiency: “including, where applicable, activities related to energy efficiency approved in the context of HFC phase-down pursuant to decision 91/65”.

25. Subparagraphs 1(a), 1(c) and 1(d): Subparagraph 1(d) requesting the submission of quantitative information on activities implemented and planned through an online database has been removed; this information has been incorporated into subparagraphs 1(a) and 1(c) on tranche implementation reports and plans, as per the current practice, since the online database is no longer in use.

26. Paragraph 2: This paragraph has been deleted as stage I of the KIPs does not overlap with other KIP stages. It could be reincorporated into the Agreement template for future stages of the KIPs, based on the specific conditions prevalent at that time.

Appendix 5-A: Monitoring institutions and roles

27. The reference to [experience gained from implementing] “stage I of the HPMP” has been replaced by “previous multi-year agreements”.

Appendix 6-A: Role of the lead implementing agency

28. Subparagraph 1(d): The reference to “subparagraph 1(d)” of Appendix 4-A has been replaced with “subparagraph 1(c)” in line with adjustments made to Appendix 4-A.

Appendix 7-A: Reductions in funding for failure to comply

29. The title has been adjusted to “Reductions in funding for non-compliance with the targets in the Agreement” as the penalty clause only refers to compliance with the targets in the Agreement.

30. Paragraph 1: The penalty clause contained in KIP Agreements for non-low-volume-consuming countries will remain the same as that contained in the HPMP Agreements, except for the reduction of funding calculated in US \$/CO₂-eq tonne rather than in US \$/ODP tonne. In the case of low-volume-consuming countries, the penalty clause of KIP Agreements will be determined once the cost guidelines for HFC phase-down have been agreed.

31. Paragraph 2: This paragraph has been removed as it refers to the application of the penalty clause in overlapping stages. It could be reincorporated into the template of the Agreement for future stages of the KIPs based on the specific conditions prevalent at that time.

Recommendation

32. The Executive Committee may wish to consider approving the draft template for an Agreement for stage I of Kigali HFC implementation plans, contained in the Annex to the present document.

Annex
TEMPLATE

**DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF [COUNTRY]
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: [initial year-final year])

Purpose

1. This Agreement represents the understanding of the Government of [country] (“the Country”) and the Executive Committee with respect to the reduction of controlled use of Annex F ~~ozone-depleting substances (ODS)~~—set out in Appendix 1-A (“The substances”) to a sustained level of [value] CO₂-equivalent (CO₂-eq)ODP tonnes by 1 January [year] 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 ~~each of the S~~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 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~~ 10/12 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 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 accordance with 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 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 ~~eight~~ 10/12 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 ~~ODP~~ CO₂-eq tonnes to be phased ~~down~~ 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;

(c) Any enterprise ~~to be converted to non-HFC technology~~ included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment ~~post the 21 September 2007~~ after the applicable cut-off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and

~~(d) The Country commits to examining the possibility of using pre-blended systems with low global warming potential blowing agents instead of blending them in house, for the foam enterprises covered under the Plan, should this be technically viable, economically feasible and acceptable to those enterprises;~~

~~(e) The Country agrees, in cases where HFC technologies have been chosen as alternatives to HFCs, and taking into account the national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impact on the climate; to consider adequate provisions to encourage the introduction of such alternatives in the review of regulations, standards, and incentives; to consider the potential for adoption of cost effective alternatives that minimize the climate impact in the implementation of the Plan, as appropriate; and to inform the Executive Committee on the relevant progress in the tranche implementation reports; and~~

~~(d)~~ 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 activities in the refrigeration servicing sector included in the Plan, in particular ~~that (a)~~ the Country ~~would~~ may use the flexibility available under this Agreement to address specific needs that might arise during project implementation.

~~(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. [Lead agency] has agreed to be the lead implementing agency (the “Lead IA”) [and [Cooperating agency] has/have agreed to be the cooperating implementing agency/agencies (the “Cooperating IA[s]”) 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[s]] 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 Cooperating IA[s] will support the Lead IA by implementing the Plan under the

overall coordination of the Lead IA.] The role[s] of the Lead IA [and Cooperating IA[s]] is/[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[s]] with the fees set out in row[s] 2.2 [and 2.4...] 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 [and the Cooperating IA[s]] to facilitate implementation of this Agreement. In particular, it will provide the Lead IA [and the Cooperating IA[s]] 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) ~~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 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 [(ODP CO ₂ -eq tonnes)]
<u>Annex F substances</u>	
[HCFC-141b <u>Annex F substances</u> contained in imported pre-blended polyols]	

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2023	2024	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	n/a	freeze	freeze	freeze	10
		CO ₂ -eq tonnes					
1.2	Maximum allowable total consumption of Annex F substances	%					
		CO ₂ -eq tonnes					
2.1	Lead IA ([Lead agency]) agreed funding (US \$)						
2.2	Support costs for Lead IA (US \$)						
2.3	Cooperating IA ([Cooperating agency]) agreed funding (US \$)						
2.4	Support costs for Cooperating IA (US \$)						
3.1	Total agreed funding (US \$)						
3.2	Total support costs (US \$)						
3.3	Total agreed costs (US \$)						
4.1.1	Total phase- down out of <u>Annex F substances</u> { <u>substance 1</u> } agreed to be achieved under this Agreement (ODP CO ₂ -eq tonnes)						
4.1.2	Phase- down out of <u>Annex F substances</u> { <u>substance 1</u> } to be achieved in previous <u>projects stages</u> (ODP CO ₂ -eq tonnes)						
4.1.3	Remaining eligible consumption for <u>Annex F substances</u> { <u>substance 1</u> } (ODP CO ₂ -eq tonnes)						
[4.2.1	Total phase- down out of HCFC-141b <u>Annex F substances</u> contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP CO ₂ -eq tonnes)						
4.2.2	Phase- down out of HCFC-141b <u>Annex F substances</u> contained in imported pre-blended polyols to be achieved in previous <u>projects stages</u> (ODP CO ₂ -eq tonnes), <u>where applicable</u>						
4.2.3	Remaining eligible consumption for <u>Annex F substances</u> HCFC-141b contained in imported pre-blended polyols (ODP CO ₂ -eq tonnes)]						

*Date of completion of stage 1 as per stage 1 Agreement: {day/month/year}

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the [first/second] 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 ~~five~~ 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-~~out~~ 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 ~~ODS phased-out~~ 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(ba) above; and
- ~~(d) — A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and~~
- ~~(e)~~(d) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(dc).

~~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 HFC consumption targets under Appendix 2 A of each Agreement in a particular year, the lower HFC 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. [This section must be completed by the Country and the Lead IA. It must provide a detailed and credible indication of how progress is to be monitored and which organizations will be responsible for the activities. Experience gained from implementing stage I of the HPMP—previous multi-year agreements should be taken into account, introducing the relevant updates and improvements.]

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(e) 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 [including the activities implemented by the Cooperating IA[s]];
 - (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) [Coordinating the activities of the Cooperating IA[s] and ensuring the 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[s]], 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 the policy, management and technical support when required;
 - (n) [Reaching consensus with the Cooperating IA[s] 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 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES [delete section if not needed]

1. The Cooperating IA[s] 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[s], and referring to the Lead IA to ensure a coordinated sequence of 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~~NON-COMPLIANCE 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 \$[value] [for non-low-volume-consuming (LVC) countries the figure would be twice the cost-effectiveness of the project in US \$/~~ODP~~CO₂-eq tonne; for LVC countries the amount would be US \$~~180~~ [to be determined]] per ~~ODP~~kgCO₂-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.

APPENDIX 8-A: SECTOR-SPECIFIC ARRANGEMENTS [delete section if not needed]

1. [Appendix 8-A is foreseen for situations where the Country and/or the Lead IA/Cooperating IA[s] wish to include in the Agreement any sector-specific arrangements. This will be mostly the case for non-LVC countries. Specifically, this appendix can be used in cases where there have been sector plans or sector phase-out projects prior to the submission of the KIP, which are subsumed into the KIP and where the related conditions require reflection in this Agreement. The appendix can also be used if the Country requests to extend the provisions of Appendix 2-A by adding sector-specific funding, phase-down schedules, or additional responsibilities for the Lead IA/Cooperating IA[s]. In cases where Appendix 8-A is needed, a reference should be included in the appropriate section of the Agreement. If only minor arrangements are required, the reference could be included in one of the appendices, in particular Appendix 6.]