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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Eighty-ninth Meeting

Montreal, 7-11 March 2022

Postponed to 16, 18 and 20 May 2022 (part I) and
16-18 June 2022 (part II)²

ANNOTATED PROVISIONAL AGENDA

Part II of the meeting

For the benefit of members of the Executive Committee, the annotated provisional agenda briefly explains the background of the agenda items and provides an indicative summary of the documents prepared by the Secretariat including issues to be addressed and recommendations for each agenda item. Items 3, 5 and 7(c) of the provisional agenda of the 89th meeting were also considered at part I of the 89th meeting.

1. Opening of the meeting

The Chair of the Executive Committee, Mr. Hassan Ali Mubarak (Bahrain), will make opening remarks.

2. Organizational matters

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/89/1 contains the provisional agenda for the 89th meeting.

Issues to be addressed: None.

The Executive Committee may wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/89/1 and, if necessary, as amended verbally at the plenary.

(b) Organization of work

The Chairperson will propose to the plenary the organization of work.

¹ Addendum 2 to the agenda was document UNEP/OzL.Pro/ExCom/89/2, the agenda of the 89th meeting part I.

² Due to coronavirus disease (COVID-19), part I of the 89th meeting was held online while part II is held in person.

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

3. Secretariat activities

The discussion held on the item was concluded at part I of the 89th meeting with the adoption of decision 89/1.

4. Overview of current monitoring, reporting, verification and enforceable licensing and quota systems developed with support from the Multilateral Fund (decision 84/85)

Document UNEP/OzL.Pro/ExCom/89/3 is based on document UNEP/OzL.Pro/ExCom/88/66 and has been updated to include a summary of the discussions at the Twelfth Meeting of the Conference of the Parties to the Vienna Convention and the Thirty-third Meeting of the Parties to the Montreal Protocol; to reflect decisions taken by the Executive Committee; to insert editorial changes; and remove some of the suggested ways to further strengthen the current monitoring, reporting, verification and regulatory framework that has been established under the Fund that were contained in document UNEP/OzL.Pro/ExCom/88/66.

Issues to be addressed:

- Whether or not to implement any of the observations summarized in paragraph 76 of document UNEP/OzL.Pro/ExCom/89/3.

The Executive Committee may wish:

- (a) To take note of the overview of current monitoring, reporting, verification and enforceable licensing and quota systems contained in document UNEP/OzL.Pro/ExCom/89/3; and
- (b) To consider whether or not to implement any of the observations summarized in paragraph 76 of document UNEP/OzL.Pro/ExCom/89/3.

5. Review of institutional strengthening projects, including funding levels (decision 74/51(d))

Document UNEP/OzL.Pro/ExCom/89/4 was introduced at part I of the 89th meeting. The Executive Committee agreed to continue discussing the review of institutional strengthening (IS) projects, including funding levels, at part II of the 89th meeting on the basis of the working text contained in the annex to the report of part I of the meeting.

Issues to be addressed:

- Guidance on possible revisions to the format of terminal reports and requests for extension of IS funding, including performance indicators; and
- Consideration of IS funding levels and timing for a further review after approval and start of implementation of Kigali HFC implementation plans (KIPs).

The Executive Committee may wish to consider the following working text, agreed at part I of the 89th meeting:

[The Executive Committee decided:

- (a) To note the review of funding of institutional strengthening (IS) projects including funding levels (decision 74/51(d)), contained in document UNEP/OzL.Pro/ExCom/89/4;
- (b) [To establish the level of funding for IS support taking into account the activities that Article 5 countries would need to undertake to initiate activities to implement the Kigali

Amendment and meet the first control measures for phasing down HFCs during the period 2020-2030, while at the same time continuing implementation of HCFC phase-out management plans;] [+60 per cent]

- (c) To extend the duration of IS renewal implementation phases from the current two years to three years for IS renewal proposals submitted from the [90th meeting] onwards;
- (d) To request the Secretariat to discuss with the bilateral and implementing agencies matters related to reviewing the existing format of terminal reports and requests for extension of IS funding, and selecting a set of performance indicators that could be used consistently by all Article 5 countries, and to report back to the Executive Committee at [91st meeting][the first meeting in 2023]; and
- (e) [To request the Secretariat to submit a further review of IS projects including funding levels no later than the second meeting in [2025] [2029 taking into account the remaining HCFC obligations].]

6. Update of the analysis of the implications of parallel or integrated implementation of HCFC phase out and HFC phase-down activities (decision 84/86(b)(i))

Document UNEP/OzL.Pro/ExCom/89/5 presents an updated analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities.

Issues to be addressed: None.

The Executive Committee may wish:

- (a) To note the status of the analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities contained in document UNEP/OzL.Pro/ExCom/89/5; and
- (b) To request the Secretariat to prepare an analysis related to the capacity of the Multilateral Fund institutions and Article 5 countries to address HFC phase-down, for the first meeting of the Executive Committee in 2023.

7. Matters related to the Kigali Amendment to the Montreal Protocol

(a) Development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding (decision 83/65(d))

Document UNEP/OzL.Pro/ExCom/89/6 summarizes both the status of the discussions as at the 84th meeting relating to the development of cost guidelines for the phase-down of HFCs in Article 5 countries, and the expected additional actions on outstanding issues by the Executive Committee at the present meeting.

Issues to be addressed:

- Consideration of the outstanding issues for discussion under the draft cost guidelines for the phase-down of HFCs in Article 5 countries.

The Executive Committee may wish:

- (a) To note document UNEP/OzL.Pro/ExCom/89/6 on the development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding; and

- (b) To continue its deliberations on the cost guidelines for the phase-down of HFCs in Article 5 countries in light of document UNEP/OzL.Pro/ExCom/89/6.
- (b) **Potential strategies, policy measures and commitments, as well as projects and activities that could be integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and sustainable reductions in HFC consumption (decision 88/75)**

Document UNEP/OzL.Pro/ExCom/89/7 contains a note by the Secretariat referring to the discussions at the 88th meeting on document UNEP/OzL.Pro/ExCom/88/71 on potential strategies, policy measures and commitments, as well as projects and activities, that could be integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and sustainable reductions in HFC consumption. During the discussions, a member proposed text of a draft decision seeking to encourage bilateral and implementing agencies and Article 5 countries, in accordance with their national circumstances, to take into account, when appropriate, the ideas and suggestions contained within that document when designing strategies to phase down HFCs and developing KIPs.

Issues to be addressed:

- Consideration of the ideas and suggestions contained in document UNEP/OzL.Pro/ExCom/88/71, when appropriate and in accordance with national circumstances, when designing strategies to phase down HFC and developing KIPs.

The Executive Committee may wish:³

Polyurethane (PU) foam

- (a) To approve sector plans for the total phase-out of HFC pure or contained in pre-blended polyols in the PU foam sector, on the understanding:
- (i) That any Article 5 country submitting a project will have ratified the Kigali Amendment or submitted a formal letter indicating the Government's intention to ratify the Amendment;
 - (ii) That the sector plan will be implemented in coordination with or complementary to the activities under the country's HCFC phase-out management plan (HPMP);
 - (iii) That the sector plan will be integrated into stage I of the HFC phase-down plan once the HFC phase-down plan has been formulated;
 - (iv) That the amount of HFC phased out by the sector plan will be deducted from the starting point for sustained reductions in HFC consumption once the starting point has been established;
 - (v) That the country will report exports of HFCs contained in pre-blended polyols for the last three years prior to project submission, and the average will be deducted from the country's starting point for sustained reductions in HFCs once the starting point has been established; and

³ The recommendation as presented in document UNEP/OzL.Pro/ExCom/88/71 is reproduced here should the members wish to still consider it. However, it may not reflect the discussions and the ideas exchanged by members during the 88th meeting.

- (vi) That the country will establish the necessary regulatory measures to ensure the sustainability of the complete phase-out of all HCFCs and HFCs pure and/or contained in pre-blended polyols in the sector;
- (b) To approve, when required, preparatory funding for the formulation of these sector plans on a case-by-case basis and in line with the draft guidelines for the preparation of HFC phase-down plans for Article 5 countries contained in document UNEP/OzL.Pro/ExCom/86/88;

Extruded polystyrene (XPS) foam

- (c) To encourage Article 5 countries that do not have HFC consumption in the XPS foam sector to consider establishing regulatory measures as soon as possible to avoid the installation of new capacity for the manufacturing of high GWP HFC-based XPS foam;

Domestic and commercial stand-alone refrigeration units

- (d) To approve sector plans for the total phase-out of HFC in the manufacturing of domestic and commercial stand-alone refrigeration units, on the understanding:
 - (i) That any Article 5 country submitting a project will have ratified the Kigali Amendment or submitted a formal letter indicating the Government's intention to ratify the Amendment;
 - (ii) That the sector plan will be integrated into stage I of the HFC phase-down plan once the HFC phase-down plan has been formulated;
 - (iii) That the amount of HFC phased out by the sector plan will be deducted from the starting point for sustained reductions in HFC consumption once the starting point has been established; and
 - (iv) That the country will establish the necessary regulatory measures to ensure the sustainability of the phase-out of HFCs in the domestic and commercial stand-alone refrigeration applications;
- (e) To approve, when required, preparatory funding for the formulation of these sector plans on a case-by-case basis and in line with the draft guidelines for the preparation of HFC phase-down plans for Article 5 countries contained in document UNEP/OzL.Pro/ExCom/86/88;

Air-conditioning (AC) sector

- (f) To invite Article 5 countries manufacturing residential and/or commercial AC equipment to explore opportunities to integrate HCFC-22 and R-410A or other high-GWP HFC phase-out in the sector to ensure the sustained adoption of lower-GWP alternatives;
- (g) To approve a limited number of sector plans for the total phase-out of R-410A and other high-GWP alternatives used in the manufacturing of residential and/or commercial AC units in countries that have phased out, are presently phasing out, or intend in the short term to phase out HCFC-22 in the sector, on the understanding:
 - (i) That any Article 5 country submitting a project will have ratified the Kigali Amendment or submitted a formal letter indicating the Government's intention to

- ratify the Amendment;
- (ii) That the sector plan will be integrated into stage I of the HFC phase-down plan once the HFC phase-down plan has been formulated;
 - (iii) That the amount of HFC phased out by the sector plan will be deducted from the starting point for sustained reductions in HFC consumption once the starting point has been established; and
 - (iv) That the country will establish the necessary regulatory measures to ensure the sustainability of the phase-out of R-410A and other high-GWP alternatives in the specific AC sector(s) converted;
- (h) To approve, when required, preparatory funding for the formulation of these sector plans on a case-by-case basis and in line with the draft guidelines for the preparation of HFC phase-down plans for Article 5 countries contained in document UNEP/OzL.Pro/ExCom/86/88;

Consumption of HFC-23 in specialized applications

- (i) To encourage Article 5 countries that do not have consumption of HFC-23 to consider establishing regulatory measures to avoid its introduction to the country;
- (j) To encourage Article 5 countries that have reported consumption of HFC-23 in fire-fighting and other niche applications, to address that consumption as a priority in their phase-down plans, noting the very high GWP of HFC-23;

Integrated compliance strategy

- (k) To request Article 5 countries formulating HFC phase-down plans, to submit along with the HFC phase-down plans an integrated compliance strategy that will provide the overarching strategy to integrate HCFC phase-out and HFC phase-down up to 2030, containing:
 - (i) The Government's commitment to harmonize the phase-out of HCFCs and phase-down HFC consumption;
 - (ii) A schedule of the proposed maximum allowable consumption of HCFC and HFC up to 2030;
 - (iii) The proposed synchronized tranches for the HPMP and the HFC phase-down plan up to 2030;
 - (iv) A statement of the approach, and specific measures and activities proposed to control increases in HFC consumption, including those resulting from implementation of the HPMP;
 - (v) Identification of sectors or applications in the country where:
 - a) Integrated implementation of HCFC phase-out and HFC phase-down is possible, such as the refrigeration servicing sector, including a plan to

combine ongoing activities under the HPMP with the proposed HFC phase-down plan; and

- b) HFC phase-down cannot be integrated with ongoing HCFC phase-out and therefore needs to be implemented separately, whether in parallel to HCFC phase-out or sequentially after HCFC phase-out.

(c) Analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector (decision 88/76)

Document UNEP/OzL.Pro/ExCom/89/8 was introduced at part I of the 89th meeting. The Executive Committee agreed to continue considering paragraph 16 of decision XXVIII/2, relating *inter alia* to energy efficiency, separately, under item 7(f) of the provisional agenda at part II of the 89th meeting, and to continue discussing the analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector at the same meeting, on the basis both of the discussion and outcomes of the contact group on the matter during part I of the 89th meeting and of the additional information to be provided by the Secretariat for part II of the 89th meeting pursuant to the following proposals:

- (a) That non-low-volume-consuming countries be categorized on the basis of consumption and needs; that corresponding funding levels be suggested for further discussion at part II of the 89th meeting; and that a request be made to the Secretariat in that regard; and
- (b) That the overall value of funding allocated for the servicing sector for all countries be based on the third modality.

Issues to be addressed:

- To determine the level and modalities of funding for HFC phase-down in the refrigeration servicing sector for stage I of the KIPs.
- To consider the additional information provided by the Secretariat in document UNEP/OzL.Pro/ExCom/89/8/Add.1.

The Executive Committee may wish:

- (a) To note the analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector, contained in document UNEP/OzL.Pro/ExCom/88/72;
- (b) To consider applying the following principles with regard to the eligible incremental costs for stage I of the HFC phase-down in the refrigeration servicing sector for the period 2021-2029 for Article 5 group 1 countries, and 2021-2032 for Article 5 group 2 countries, all of which are non-low-volume-consuming (LVC) countries, on the understanding that the funding levels specified below would be revised for activities submitted for future HFC phase-down stages when activities under HCFC phase-out management plans (HPMPs) were completed:
- (i) Article 5 countries with total HCFC consumption baseline of up to 360 metric tonnes (mt) must include in their HFC phase-down plans, as a minimum:
- a. A commitment to meeting, without further requests for funding at least the 10 per cent reduction step in HFC consumption in line with the

compliance schedule of the Montreal Protocol, and restricting imports of HFC-based equipment if necessary to achieve the compliance schedule and to support relevant phase-out activities;

- b. Mandatory reporting, by the time funding tranches for the HFC phase-down plans were requested, on the implementation of activities undertaken in the refrigeration servicing sector and in the manufacturing sector, when applicable, in the previous tranche, as well as a comprehensive annual work plan for the implementation of the activities associated with the next tranche; and
 - c. A description of the roles and responsibilities of major stakeholders, as well as the lead implementing agency and the cooperating agencies, where applicable;
- (ii) Article 5 countries that have a total HCFC consumption as specified in sub-paragraph (b)(i) above will be provided funding consistent with the level of consumption in the refrigeration servicing sector, as shown in the table below, on the understanding that project proposals will still need to demonstrate that the funding level is necessary to achieve at least the HFC 10 per cent reduction target:

Baseline (mt)	Funding (US \$)
>0 <15	88,125
15 <40	112,500
40 <80	120,000
80 <120	135,000
120 <160	142,500
160 <200	150,000
200 <320	240,000
320 <360	270,000

- (iii) Article 5 countries that have total HCFC consumption above 360 mt and below 25,000 mt that clearly demonstrate that they require assistance in the refrigeration servicing sector to comply at least with the 10 per cent reduction step in HFC consumption in line with the compliance schedule of the Montreal Protocol, will be provided funding at a level up to US \$3.20/metric kg, which will be deducted from their starting point for aggregate reductions in HFC consumption;
- (iv) Article 5 countries referred to in paragraph (b)(iii) above that could achieve the 10 per cent reduction step in HFC consumption in line with the compliance schedule of the Montreal Protocol, only through activities in the refrigeration servicing sector, could receive funding up to the level determined for LVC countries with HCFC baseline between 320 and 360 mt as specified in sub-paragraph (b)(ii) above, on the understanding that they must include in their HFC phase-down plans, as a minimum the requirements described in sub-paragraph (b)(i) above;
- (v) Funding for Article 5 countries that have a total HCFC consumption baseline above 25,000 mt will be considered on a case-by-case basis;

- (c) To consider including the principles referred to in sub-paragraph (b) in the draft cost guidelines for the phase-down of HFCs and revising these principles in 2028 for the funding of future stages of HFC phase-down plans; and
- ~~[(d) To consider whether to add the increase of funds agreed in the discussion of document UNEP/OzL.Pro/ExCom/88/75 on ways to operationalize paragraph 16 of decision XXVIII/2, and paragraph 2 of decision XXX/5, to the approval of stage I of the HFC phase down instead of the HPMP, noting that the activities proposed for such increase of funds will benefit both HCFC phase out and HFC phase down through introduction of alternatives with low and zero GWP to HFC and maintain energy efficiency also in the servicing/end user sector for LVC countries.]~~
- (d) Synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2 (decision 84/87(b))**

Document UNEP/OzL.Pro/ExCom/89/9 provides guidance for the cost-effective management of stockpiles of used or unwanted ODS and other controlled substances, taking into account policies and regulatory best practices, issues related to synergy with other projects, opportunities for resource mobilization, and funding modalities, in response to decision 84/87(b). Due to the COVID-19 pandemic, in accordance with the agreed procedures for conducting Executive Committee meetings, the Executive Committee had deferred consideration of the document since the 85th meeting. The document was reissued without any modifications to that submitted to the 86th, 87th and 88th meetings, except for reference to document numbers.

Issues to be addressed: None

The Executive Committee may wish:

- (a) To note the synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2, contained in document UNEP/OzL.Pro/ExCom/89/9;
- (b) To request bilateral and implementing agencies to assist those Article 5 countries that wish to develop a strategy for the environmentally sound management of waste controlled substances to incorporate it into their refrigeration servicing sector plans under current implementation; and
- (c) To continue deliberations on operationalizing paragraph 24 of decision XXVIII/2 in the context of the discussion of the cost guidelines for the phase-down of HFCs in Article 5 countries in light of document UNEP/OzL.Pro/ExCom/89/6.
- (e) Analysis of and information on the incremental costs and their duration, and the cost effectiveness of all approved investment projects in the relevant manufacturing sectors and sub-sectors (decision 84/87(a))**

Documents UNEP/OzL.Pro/ExCom/89/10/Rev.1 and UNEP/OzL.Pro/ExCom/89/10/Add.1 present analyses of the relevant policies and practices applied to incremental costs and cost-effectiveness thresholds under the Multilateral Fund, of the ICCs and IOCs and their duration, and of the cost-effectiveness of approved projects in the relevant manufacturing sectors and sub-sectors, including the controlled substances that had been phased out and the alternative substances that had been phased in; and a recommendation. The document was originally requested for the 86th meeting but its consideration was deferred to the 89th meeting due to the COVID-19 pandemic, in accordance with the agreed procedures for conducting Executive Committee

meetings. The document is a re-issue of the documents submitted to the previous meetings, with some necessary updates and adjustments.

The addendum provides a preliminary analysis of the ICCs and IOCs incurred in four completed HFC-related stand-alone investment projects approved pursuant to decision 78/3(g). Final reports for the remaining projects approved pursuant to decision 78/3(g) have not yet been received.

Issues to be addressed:

- Consideration of the information contained in documents UNEP/OzL.Pro/ExCom/89/10/Rev.1 and UNEP/OzL.Pro/ExCom/89/10/Add.1 when discussing ICCs, IOCs and cost-effectiveness thresholds in the consumption manufacturing sectors in the context of the cost guidelines for the phase-down of HFCs in Article 5 countries.

The Executive Committee may wish:

- (a) To note the document on the Analysis of the incremental capital costs and incremental operating costs and their duration, and the cost-effectiveness of all approved investment projects in the relevant manufacturing sectors and sub-sectors, contained in documents UNEP/OzL.Pro/ExCom/89/10/Rev.1 and UNEP/OzL.Pro/ExCom/89/10/Add.1; and
- (b) To take into account the information contained in the documents referred to in sub-paragraph (a) above, during the discussion of the development of the cost guidelines for the phase-down of HFCs in Article 5 countries.
- (f) **Energy efficiency**
 - (i) **Paper on ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 84/88)**

Document UNEP/OzL.Pro/ExCom/89/11 contains a note by the Secretariat referring to the discussions on energy efficiency at the 84th meeting on the basis of document UNEP/OzL.Pro/ExCom/84/67. The text of document UNEP/OzL.Pro/ExCom/83/40 is included for ease of reference. As the contact group did not arrive at a conclusion regarding the table on additional financing, the Executive Committee decided to defer and continue the discussion based on the text contained in Annex XXIX to the report of the 84th meeting (decision 84/88). The document was originally requested for the 86th meeting but its consideration was deferred to the 89th meeting due to the COVID-19 pandemic, in accordance with the agreed procedures for conducting Executive Committee meetings.

Issues to be addressed:

- Agreement on the table on additional financing for implementation of activities presented in paragraph (b) of the decision.

The Executive Committee may wish to continue its discussions based on the following text, as agreed at the 84th meeting:

[The Executive Committee decided:

- (a) To note the paper on ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 82/83(c)), contained in document UNEP/OzL.Pro/ExCom/83/40;

- (b) To consider the following additional activities for inclusion in existing and future HCFC phase-out management plans (HPMPs) for low-volume-consuming (LVC) countries, when needed for the introduction of alternatives to HCFCs with low- or zero-global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector:
- (i) [Pilot projects designed for and targeted towards end-users, relating primarily to energy efficient small-capacity refrigeration, air-conditioning and heat-pump (RACHP) equipment using alternative low-GWP technologies to address challenges related to market acceptance;
 - (ii) Updating of training material to strengthen components related to good practices and energy efficiency during assessment, installation, maintenance and servicing of RACHP equipment, including safety considerations when addressing refrigerants with differing operating characteristics with regard to flammability, toxicity and pressure;
 - (iii) Coordination and collaboration between the national ozone units and relevant authorities and bodies to include appropriate consideration of low-GWP refrigerants during the development of cooling and energy efficiency plans, which among others include minimum energy performance standards (MEPS), and, as appropriate, labelling and testing programmes, and standards for RACHP equipment;
 - (iv) Development and implementation of competency-based certification schemes for technicians and the strengthening of national institutions for such systems including for energy efficiency and safety; and
 - (v) Awareness and outreach programmes to promote the introduction of MEPS and labelling systems; the mandatory certification of technicians; and the introduction of energy-efficient RACHP equipment operating with low- or zero-GWP refrigerants;
- (c) To provide the following funding, when needed, for the activities identified in sub-paragraph (b) above, on the understanding that Article 5 countries would have flexibility in using the additional funding to address specific needs that might arise during project implementation relating to introduction of alternatives to HCFCs with low- or zero-GWP refrigerants and for maintaining energy efficiency in the refrigeration servicing sector:

Consumption (mt)*	Number of countries	Additional funding (US \$)**
0-15	21	
15-40	17	
40-80	14	
80-120	11	
120-160	8	
160-200	3	
200-320	13	
320-360	4	

* Level of HCFC baseline consumption in the refrigeration servicing sector

** To be determined for each level of consumption

- (d) To request bilateral and implementing agencies, when submitting an HPMP tranche request, to include in the tranche implementation plan, the specific actions, performance

indicators and funding associated with the activities referred to in sub-paragraph (b) above; **as well as** a progress report on implementation of those activities under the previous funding tranche; **and a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee.]**

- (ii) **Report identifying options, including the relevant procedures and conditions for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-global-warming-potential alternatives (decision 87/51)**

Document UNEP/OzL.Pro/ExCom/89/12 presents a report in response to decision 87/51, identifying options, within the Multilateral Fund and by working with other financial institutions that financed energy efficiency and whose procedures could be compatible with those of the Multilateral Fund, for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-GWP alternatives in the relevant foam manufacturing sub-sectors and the refrigeration, air-conditioning and heat pump sectors.

Issues to be addressed:

- Identification of options, within the Multilateral Fund and by working with other financial institutions that financed energy efficiency, for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-GWP alternatives.

The Executive Committee may wish:

- (a) To note:
- (i) The report identifying options, including the relevant procedures and conditions for mobilizing financial resources to maintain and/or enhance energy efficiency when replacing HFCs with low-global-warming-potential alternatives (decision 87/51) contained in document UNEP/OzL.Pro/ExCom/89/12;
- (ii) With appreciation, the participation of the funding and financial institutions that provided information to the Secretariat as part of its data collection exercise undertaken for the report identified in sub-paragraph (a)(i);
- (b) To consider:
- (i) The options identified in paragraphs 30 to 42 of document UNEP/OzL.Pro/ExCom/89/12;
- (ii) Establishing a special funding window in the current business plan at a funding level to be decided by the Executive Committee for pilot projects to maintain and/or enhance energy efficiency in projects funded by the Multilateral Fund for phasing-down HFCs, on the understanding that the pilot projects would inform future discussions on the options identified in sub-paragraph (b)(i) above; and
- (c) To request the Secretariat, [should the funding window in sub-paragraph b(ii) be agreed], to prepare for the consideration of the Executive Committee, at its 91st meeting, criteria for pilot projects to maintain and/or enhance energy efficiency in projects funded by the Multilateral Fund, to allow the Executive Committee to gain experience in understanding the elements and costs associated with such projects.

(g) Key aspects related to HFC-23 by-product control technologies (decision 83/67(d))

Document UNEP/OzL.Pro/ExCom/89/13 presents the policy issues related to control of HFC-23 by-product emissions in three parts, i.e., policy issues arising in the projects in Argentina and Mexico; policy issues arising in the project in Mexico; and a scientific study on HFC-23 emissions.

Issues to be addressed:

- Guidance on the policy issues raised in document UNEP/OzL.Pro/ExCom/89/13.

The Executive Committee may wish:

- (a) To note the key aspects related to HFC-23 by-product control technologies (decision 83/67(d)) contained in document UNEP/OzL.Pro/ExCom/89/13;
- (b) To confirm:
 - (i) HFC-23 by-product is destroyed to the extent practical in the context of Multilateral Fund-supported projects when up to a maximum of 0.1 kg of HFC-23 by-product are emitted per 100 kg of HCFC-22 produced;
 - (ii) That HFC-23 by-product controls would be eligible independent of whether the HCFC-22 production that generated the HFC-23 is for controlled or for feedstock uses;
 - (iii) That the term “production” in the context of HFC-23 by-product emission control projects supported by the Multilateral Fund means the total amount of HCFC-22 produced for all uses, including controlled and feedstock uses, irrespective of any subsequent destruction, recycling, and reuse of that HCFC-22; and
- (c) When approving projects to control HFC-23 by-product emissions from HCFC-22 production lines that would continue to produce HCFC-22 after the completion of the project, invite the relevant Article 5 country to consider requesting additional funding for independent verification of the HFC-23 by-product generated, destroyed, sold, stored and emitted, under the subsequent stage of its HPMP, until approval of its Kigali HFC implementation plan, at which time verification would continue under that plan.

8. Report of the Sub-group on the Production Sector

Document UNEP/OzL.Pro/ExCom/89/14, to be issued during part II of the 89th meeting, will provide a report of the meeting of the Sub-group on the Production Sector that will take place in the margins of the meeting.

9. Other matters

Substantive issues agreed for inclusion in agenda item 2(a) will be taken up under this agenda item.

10. Adoption of the report

The Executive Committee will have in front of it the draft report of part II of the 89th meeting for its consideration and adoption.

11. Closure of the meeting

The meeting is expected to be closed on Saturday, 18 June 2022.