Assessment of the Funding Requirement for the Replenishment of the Multilateral Fund for the Period 2027-2029

TEAP Replenishment Task Force (RTF)

OEWG-48

2026 July 13-17, Bangkok

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United Nations Environment Programme

Presentation Outline

- Introduction
- HCFC Phase-out: Estimated funding 2027-2029 and 2030-2032
- HFC Phase-down: Estimated funding 2027-2029 and future triennia (2030-2032 and 2033-2035)
- Summary of estimated funding 2027-2029 and future triennia
- Additional requests and information for the considerations of parties

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Decision XXXVII/6: Terms of reference (TOR) for the study on the 2027-2029 replenishment of the Multilateral Fund (MLF)

1. To request the TEAP to prepare a report for submission to the MOP-38, and to submit it through the OEWG-48 meeting, to enable MOP-38 to adopt a decision on the appropriate level of the 2027–2029 replenishment of the MLF;
2. That, the Panel should take into account, among other things:
   a) All control measures and relevant decisions agreed on by the parties to the Montreal Protocol and the ExCom, including those relevant to decision XXVIII/2 and the decisions of the MOP up to and including the MOP-37 and of the ExCom, up to and including ExCom-98, insofar as those decisions will necessitate expenditure by the MLF during the period 2027–2029;
   b) **The special needs of LVC and VLVC countries, taking into account relevant decision of the ExCom pertaining to those countries**;

Decision XXXVII/6: TOR, cont'd

c) **The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 of the Montreal Protocol to comply with Articles 2A–2J of the Protocol, and the reductions and extended commitments made by parties operating under Article 5 of the Protocol** under approved HPMPs and KIPs;

d) **Integrating digital technologies and tools within the servicing sector;**

e) **A scenario to allocate resources for a funding modality to support a limited number of pilot projects to enhance regional atmospheric monitoring of substances controlled by the Montreal Protocol**, taking into account decision XXXVI/1 and any other decisions of the MOP and the ExCom;

Decision XXXVII/6: TOR, cont'd

3. That, in estimating funding requirements associated with the reduction targets, the Panel will **use a clearly explained compliance-based methodology that is informed by, but independent of, the business plan of the MLF, and that applies a range of CE figures for the manufacturing sectors based on historical experience rather than only on the CE thresholds approved by the ExCom**;

4. That, separately from the main estimated funding, the Panel should **prepare scenarios for varying numbers of A5 parties that have not yet submitted KIPs for phase down HFCs in advance of the Montreal Protocol targets on a voluntary basis**;

5. That, in preparing the report, **the Panel should consult widely**, including all relevant persons and institutions and other relevant sources of information deemed useful;

Decision XXXVII/6: TOR, cont'd

6. That the Panel should strive to **complete the report in good time to enable it to be distributed to all parties two months before OEWG-48**;

7. That the Panel should **provide indicative figures for the periods 2030-2032 and 2033-2035 to support a stable and sufficient level of funding**, on the understanding that those figures will be updated in subsequent replenishment studies;

8. That the Panel should **share the details of calculations in the form of an appendix as part of the report to enable parties to fully understand the Panel's analysis**.

2026 TEAP RTF Composition

CO-CHAIRS	AFFILIATION	PARTY
Suely Carvalho	TEAP Senior Expert	Brazil
Bella Maranion	TEAP Co-chair	USA
MEMBERS		
Omar Abdelaziz	RTOC Co-chair	Egypt
Adam Chattaway	FSTOC Co-chair	UK
Sukumar Devotta	TEAP Senior Expert/RTOC member	India
Gabby Dreyfus	RTOC member	USA
Bassam Elassaad	TEAP Senior Expert/RTOC member	Lebanon
Carlos Froes Lima	Independent consultant	Brazil
Marco Gonzalez	TEAP Senior Expert	Costa Rica
Mary Najjuma	Independent consultant	Uganda
Marta Pizano	TEAP Co-chair	Colombia
Pallav Purohit	RTOC member	India
Rajan Rajendran	RTOC Co-chair	USA
Bettina Schreck	MCTOC member	Argentina
John Telesford	Independent consultant	Grenada
Helen Tope	MCTOC co-chair	Australia
Helen Walter-Terrinoni	FTOC Co-chair	USA
Shiqiu Zhang	TEAP Senior Expert	PRC
CONSULTING EXPERT		
Rick Cooke	MCTOC member	Canada

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2027-2029 triennium and next two triennia represent significant milestones for the Montreal Protocol

HCFC Phase-out

- For 2027-2029 and 2030-2032, the HCFC phase-out **compliance target is a 100%** reduction from baseline by 1 January 2030.

HFC Phase-Down

- For HFCs, the compliance targets for the 2027-2029 and next two triennia are as follows:
    - **Group 1 parties**: a 10% reduction from baseline by 1 January 2029 and a 30% reduction from baseline by 1 January 2035.
    - **Group 2 parties**: the freeze in 2028, and a 10% reduction from baseline by 1 January 2032.

TEAP RTF Reports and Timelines

February 2026

RTF Modelling team (23 Feb), Full RTF meeting (24 – 26 Feb)

Montreal at MLFS

21 May 2026

TEAP RTF Report on Replenishment

Decisions up to ExCom-97 and A7 data as of 8 April 2026 (including Kigali Amendment ratifications)

22-26 June 2026

ExCom-98

13-17 July 2026
Bangkok

- **Presentation to OEWG-48**
- **Contact Group**
- ***RTF meeting: 18 July***

7 September 2026

RTF Supplementary Report to OS

Decisions at ExCom-98, A7 data as of 30 August 2026, and discussions at OEWG-48

2-6 November 2026
Kigali, Rwanda

Presentation to MOP-38

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Planning for a Supplementary Report for MOP-38

- May 2026 RTF Report for OEWG-48 is based on data and information available to the RTF as of April 2026 and ExCom Decisions up to the 97th meeting
- RTF supplementary report will consider:
    - Decisions and discussions from ExCom-98
    - Discussions from OEWG-48 and guidance from parties
    - Updates to Article 7 and CP data
    - Status of Kigali Amendment ratifications
    - Any other adjustments to MLF database that impact funding estimates
    - Any other relevant information and new data available to the RTF during preparation of its supplementary report (July-August 2026)

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HCFC PHASE-OUT

HCFC Phase-out Compliance Targets Addressed by RTF

- HPMPs are addressing the complete phase-out by 1 January 2030, with 2.5% allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol
- If there is consumption in 2030–2040, the country Agreement with the ExCom may need to be modified, potentially affecting targets but not funding levels.
- Accordingly, RTF estimated funding over next two triennia (2027-2032) to address all remaining eligible consumption.

- **The total funding to address compliance targets covers the phaseout costs of:**
  - **HCFC Production Sector;**
  - **HCFC Consumption sector (including energy efficiency (EE) projects for LVCs);**
  - **Project preparation and verification**

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Total remaining HCFC consumption by substance (ODP tonnes) *

HCFC	Baseline	Starting point	Approved	Remaining	% of approved
HCFC-123	31.9	30.2	24.8	5.4	82.1
HCFC-124	26.4	26.1	24.0	2.2	92.0
HCFC-141	0.9	0.9	0.9	0.0	100.0
HCFC-141b	10,668.2	10,674.8	10,644.1	29.4	99.7
HCFC-142b	2,000.8	2,016.8	1,538.3	476.8	76.3
HCFC-21	0.7	0.7	0.7	0.0	100.0
HCFC-22	20,424.7	19,884.9	15,605.7	4,278.5	78.5
HCFC-225	2.8	2.8	1.5	1.3	53.6
HCFC-225ca	0.4	0.4	0.0	0.4	0.0
HCFC-225cb	0.7	0.7	0.0	0.7	0.0
Grand Total	**33,157.6**	**32,638.4**	**27,840.0**	**4,794.6**	**85.3**
HCFC-141b (in imported pre-blended polyols)	0.0	657.0	631.1	19.4	96.1

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*** As of ExCom-97**

HCFC Production Sector Phase-out

Assumptions applied during the analysis and funding calculations

- The total of US$ 47.08 million is planned for Stage III of the HPPMP for China, and **US$ 23.54 million** is included in the 2026-2028 MLF Consolidated Business Plan (BP).
- RTF assumed funding for 2027-2029 and 2030-2032 to be equivalent to the BP.

HCFC Production Sector Funding	2027-2029	2030-2032
HCFC Stage III HPPMP for China (US$ million) (5.6% support cost including verification)	$ 23.54	$ 23.54

HCFCs: Compliance Model Steps for Consumption Sector*

A. ***Committed Funding*** for complete phaseout in **116 A5** parties with approved HPMP Stages and ExCom Agreements for 100% HCFC phaseout by 2030.

B. ***New Estimated Funding*** for **3 A5** parties with cancelled HPMP stages for HPMP re-submission.

C. ***Committed and New Estimated Funding*** for **25 A5 parties** with approved HPMP stages that phaseout less than 100% of baseline- and with remaining eligible consumption to be addressed for complete phaseout.
   - *New estimated funding* for 15 Non-LVC parties, using 2 scenarios:
     - Scenario 1: Applied Historical CEs thresholds for manufacturing sectors.
     - Scenario 2: Applied Cost Guidelines CE thresholds for manufacturing sectors.
   - *New estimated funding* for 10 LVC parties
     - Applied ExCom Decision 74/50

D. ***New funding*** for EE (Decision 89/6) for LVC parties

E. ***New funding*** for Project Preparation and Verification

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*As of 97th ExCom Decisions, and per information provided by MLFS in January 2026

Scenario 1- Applying Historical CE for Manufacturing Sectors (TOR)
Sector CEs Used for Estimating Funding for 15 Non-LVC parties

CE Historical (US$/kg)	XPS Foam	PU Foam	Fire Exting.	ICR	Resid. AC	Solvents	Servicing
China	-	-	-	6.97	4.74	-	4.80
Other 14 parties	5.74	7.37	4.80	14.57	10.05	10.51	4.80

New funding for 15 non-LVC parties (million US$)	XPS Foam	PU Foam	Fire Exting.	ICR	Resid. AC	Solvents	Servicing	Total	Total funding with 9.6% support cost (million US$)
China*	-	-	-	94.31	66.10	-	144.37	304.79	334.05
Other 14 parties*	0.10	0.36	0.06	6.11	0.00	2.11	49.75	58.49	64.11
TOTAL **	**0.08**	**0.31**	**0.05**	**85.36**	**56.18**	**1.79**	**194.12**	**337.90**	**370.34**

*Total funding per sector **without 15%** discount for foreign ownership;

** Total funding per sector **with 15%** discount for foreign ownership

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Scenario 2- CE in Cost Guidelines
Sector CEs Used and Estimated Funding for 15 non-LVC Parties

CE in Cost Guidelines	XPS	PU	Fire Exting.	ICR	Resid. AC	Solvents	Servicing
(US$/kg)	8.22	7.83	4.8	15.21	7.15	10.13	4.8

New Funding for 15 non-LVC parties (million US$)	XPS Foam	PU Foam	Fire Exting.	ICR	Resid. AC	Solvents	Servicing	Total	Total funding with 9.6% support cost (million US$)
All 15 parties including China*	0.12	0.33	0.05	180.37	84.75	1.73	194.12	461.46	505.76

* With 15% discount for foreign ownership in manufacturing sectors

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HCFC Phaseout Consumption Sector

Summary of Assumptions applied during the analysis and funding calculations

- Estimated funding range provided by applying 2 scenarios to 15 non-LVC parties for complete HCFC phase-out
  - Also applied a 15% deduction in funding to manufacturing sectors to account for foreign ownership.
  - PMU costs not included pending guidance to be considered for supplementary report.
- Total funding estimations for the production and consumption sectors, including energy efficiency, project preparation and verification, were distributed among triennia using RTF suggested resource allocation across two triennia:
  - 90% funding in 2027-2029, and
  - 10% funding for last tranche after 2029.

HCFC CONSUMPTION SECTOR (with 90%/10% funding allocation)	SCENARIO 1 (US$ million)		SCENARIO 2 (US$ million)	
	Triennium 2027-2029	Triennium 2030-2032	Triennium 2027-2029	Triennium 2030-2032
	90%	10%*	90%	10%*
A: Funding Committed -Approved HPMPs	78.06**	20.13**	78.06**	20.13**
B: New Funding for 3 cancelled HPMPs	9.20	1.02	9.20	1.02
C: Committed and New Funding for 25 Parties Approved HPMPs- to reach 100%	335.61	37.29	457.49	50.83
D: Energy Efficiency Funding for LVCs (89/6)	3.06	0.34	3.06	0.34
E: New Funding for Project Preparation and Verification	1.63	0.18	1.63	0.18
Total Estimated Funding (US million)	427.56	58.96	549.44	72.50

*Leaving 10% for the last tranche (Decision 62/17)

**Committed funding under A is as per tranche approved and 90%/10% allocation not applied

Grand Total Summary: HCFC Consumption and Production Sectors
Total Estimated Funding Range for 2027-2029 and 2030

Triennium	Both Consumption and Production Sectors	HCFC ESTIMATED FUNDING RANGE (US$ million)	
		Scenario 1	Scenario 2
2027-2029	HCFC Consumption	427.56	549.44
	HCFC Production	23.54	23.54
	Total (US$ million)	**451.10**	**572.98**
2030-2032	HCFC Consumption	58.96	72.50
	HCFC Production	23.54	23.54
	Total (US$ million)	**82.5**	**96.04**

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HFC PHASE-DOWN

RTF TOR Requests Funding Estimates for 3 Triennia (2027 to 2035)
Control Targets that fall in 2027 to 2035 period are:
G1: 10% by 2029 and 30% by 2035
G2: freeze by 2028 and 10% by 2032

RTF estimated funding for G1 parties (KIP Stage I and II) and for G2 parties (freeze and KIP Stage I), under two Scenarios

Scenario 1
(CE without SMEs)

Scenario 2
(CE with SMEs)

For each Scenario, total funding is allocated among 3 triennia, as per resource allocation Schedules A and B

HFCs: Compliance Model Steps for the Consumption Sector*

STEP 1. 83 parties in G1 with approved KIP-Stage I (as of ExCom-97)

Those parties have different agreed % reduction from the baseline.

a. **Committed funding** for all 83 approved KIPs-Stage I

b. **New funding** for KIP-Stage II for 70 parties with reductions below 30% of baseline.

NOTE: 13 parties that have reductions equal to or above 30% were not included, as they were already funded to reach the reduction targets beyond 2035.

STEP 2. 42 Parties in G1 and G2 without approved KIP-Stage I, that ratified Kigali

a. G1: New funding for 36 A5 parties to prepare and/or submit KIP-Stage I and Stage II (10% by 2029, and 30% by 2035).

b. **G2**: **New funding** to 6 parties (freeze by 2028 and 10% by 2032).

STEP 3. 19 Parties that have not ratified the Kigali Amendment yet

RTF forecasted 100% ratification in 2027-2029

a. G1: New funding for 16 A5 parties (10% reduction by 2029 and 30% by 2035)

b. **G2**: **New funding** for 3 parties (freeze by 2028 and 10% reduction by 2032)

* Ratification status as per 8 April 2026

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Summary: Scenarios 1 and 2

2027 to 2035 Period	TOTAL ESTIMATED FUNDING BY SCENARIO (US$ million)	
	Scenario 1 (w/o SMEs)	Scenario 2 (with/SMEs)
KIP Stage I	792	815
KIP Stage II	1,398	1,441
Grand Total (Stage I plus Stage II)	**2,190**	**2,256**

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Percentage Sector Distribution of Consumption

Sector and Country Cluster	Aerosol	Foam	Fire Exting.	Dom. Ref	Resid. AC	Comm. Ref	Comm. AC	Industrial Transport Ref.	Refrigeration/ AC Manufacturing Other	Solvents	Servicing	Other
Highest	1.1%	2.8%	7.5%	9.7%	19.7%	15.3%	19.7%	2.8%	0.9%	0.6%	19.6%	0.3%
Top 10	6.2%	2.6%	2.3%	2.4%	13.4%	3.8%	13.4%	0.7%	1.3%	0.3%	51.2%	2.4%
G2	6.1%	7.1%	1.1%	2.7%	22.8%	4.2%	22.8%	0.8%	0.1%	0.0%	28.4%	4.1%
Other	1.7%	0.8%	0.7%	0.3%	2.6%	0.5%	2.6%	0.1%	1.6%	0.0%	87.6%	1.5%
LVCs	1.0%	3.3%	0.3%	0.4%	0.1%	0.7%	0.1%	0.1%	0.3%	0.0%	92.9%	0.7%

Scenario 1: CEs without proportioning for SMEs

Sector CE (US$/kg)	Aerosol	Foam	Fire Exting.	Dom. Refrigeration	Resid.AC	Comm. Refrigeration	Comm. AC	Industrial Transport Ref	Refrigeration/ AC Manufacturing Other	Solvents	Servicing	Other	65% HCFC baseline component
All <u>non-LVCs</u> (G1 and G2)	5.00	9.00	5.10	13.76	13.60	16.50	15.00	16.50	15.75	10.13	5.10	5.00	5.10

Case by case sector CEs: For Industrial/transport Refrig. RTF used same CE as for Com Ref. (16.50 $/kg); for Solvents used average in Table 12 of document 89/10/Rev1 (10.13 $/kg) ; for Ref. and AC manufacturing/other, used 15.75 that is the average of 10.50 and 15 (CEs for Com Ref. and Com. AC). Other case by case sectors, RTF suggested CEs (Aerosol, Fire Exting. and Other).

Scenario 2. CEs with proportioning for SMEs

Sector CE (US$/kg)	Aerosol	PU Foam	Fire Exting.	Dom. Ref	Resid. AC	Comm Ref	Com AC	Industrial Transport Ref	Ref/ AC Manuf. Other	Solvents	Servicing	Other	65% HCFC baseline component
All non-LVCs (G1 and G2)	5.00	9.00	5.10	13.76	13.60	16.50	15.00	16.50	15.75	10.13	5.10	5.00	5.10
SME CE ($/kg)		12.60			17.95	21.78	19.80	20.08	18.88				
SME proportion (%)		15%		0%	10%	55%	2%	15%	25%				

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RESOURCE ALLOCATION SCHEDULES A AND B

Group	KIP Stage	Proposed Schedule A (% funding per triennium)	Proposed Schedule B (% funding per triennium)
G1 parties with approved KIPs stage I	II	60% - 2027-2029	-
		40% - 2030-2032	60% - 2030-2032
		-	40% - 2033-2035
G1 parties without KIPs	I	100% - 2027-2029	90% - 2027-2029
		-	10% - 2030-2032
	II	60% - 2030-2032	60% - 2030-2032
		40% - 2033-2035	40% - 2033-2035
G2 parties without KIPs	I	60% - 2027-2029	-
		40% - 2030-2032	90% - 2030-2032
		-	10% - 2033-2035

HFC Phase-down Consumption Sector

Compliance Model Assumptions

- Considered decisions as of ExCom-97, MLFS data information as of January 2026, Ozone Secretariat A7 data (and baselines) and ratification status, as of 8 April 2026:
    - Assumed that all 19 A5 parties (16 G1 and G2), without ratification, will ratify in the 2027-2029 triennium.
- Based calculations on reductions from the baseline as defined in the Kigali Amendment. The 65% HCFC component was considered as consumption in servicing sector.
- RTF addressed data gaps for missing A7 and baselines, and lack of accuracy in sector consumption/distribution in CP reports, as detailed in chapter 3.4.2 and in Annex 3.

HFC Phase-down Consumption Sector

- The request in the TOR (para 4.) to "prepare scenarios for varying numbers of A5 parties ...to submit ..KIPs for phase-down HFCs in advance of MP targets on a voluntary basis" was challenging.
- RTF suggested resource allocation schedules A and B as a way to address para 4, which can be adjusted if parties so wish.
- Other proposals from parties for Supplementary Report are welcomed.

Energy efficiency

Decision	Low-End	Assumption	High-End	Assumption
89/6 LVCs (HPMPs)	3.4	29 parties may apply for funding during 2027-2029 or after	3.4	29 parties may apply for funding during 2027-2029 or after
91/65: $20 mi/ EE pilots	6.4	Remaining funds will be exhausted on a first-come, first-serve basis	9.3	ExCom may extend window based on demand indicated in BP 2026-2028
94/60: $ 100 mi*	66	Forecasted funding based on last year over the next 3 years	78	Countries ramp up activities and deplete funding window in 2027-2029
95/87: $40 mi Pilot/end-users		Assumes the funds are expensed by the end of 2026	43	Funds are differed to next triennium, including support cost.
Total (US$ million)	**76**	**with Support Cost**	**133**	**with Support Cost**

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*** Operational Framework for manufacturing sector**

Funding Window to Support Regional Atmospheric Monitoring

Triennium	2027-2029	2030-2032
Estimated Funding Window **US$ million (including 9.6% support costs)**	**0.85**	**8.9 – 13.7**

- RTF TOR: “A scenario to allocate resources for a funding modality to support a limited number of pilot projects..."
- Assuming the establishment of a funding window at ExCom-98, the RTF estimated funding for the 2027-2029 and 2030-2032 to support three stations over a five-year period.
- Decision from ExCom-98 will be considered in RTF supplementary report

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Total Funding Estimate for Scenario 1 (US$ million)

HFC CONSUMPTION SECTOR	Total for 3 Triennia (2027 to 2035)	Resource Allocation A			Resource Allocation B		
HFC Scenario 1 (CE in cost guidelines without SMEs)	Funding for KIP Stage I and II	2027-2029	2030-2032	2033-2035	2027-2029	2030-2032	2033-2035
Funding **Committed** * for Approved KIPs; New Funding to Address Stage II for parties with KIPs Stage I approved; New Funding to Address Stages I and II for parties without KIPs approved; New Funding to Address KIPS Stages I and II for countries pending ratification:	2,190	853.01	858.61	478.82	585.50	1,031.12	573.81
Funding for Project Preparation (PRP). Verification, EE (low end) and Atm. Monitoring pilots	131	104.56	17.57	8.7	104.56	17.57	8.70
Total for HFC Consumption Sector - Scenario 1 (US$ million)	2,321	958	876	487	690	1,049	582

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Total Funding Estimate for Scenario 2 (US$ million)

HFC CONSUMPTION SECTOR	Total for 3 Triennia (2027 to 2035)	Resource Allocation A			Resource Allocation B		
HFC Scenario 2 (CEs in cost guidelines with SMEs)	Funding for Stages I and II	2027-2029	2030-2032	2033-2035	2027-2029	2030-2032	2033-2035
Funding **Committed** * for Approved KIPs; New Funding to Address Stage II for parties with KIPs Stage I approved; New Funding to Address Stages I and II for parties without KIPs approved; New Funding to Address KIPS Stages I and II for countries pending ratification:	2,256	876.37	884.72	494.62	603.28	1,061.32	591.11
Funding for Project Preparation (PRP), Verification, EE (high-end), Atm. Monitoring pilots:	196	165.37	22.43	8.70	165.37	22.43	8.70
Total for HFC Consumption Sector Scenario 2 (US$ million)	2,452	1,042	907	503	768	1,084	600

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HFC PHASE-DOWN IN PRODUCTION SECTOR

Estimated Funding Requirement for HFC Production Sector Phase-down and HFC-23 Mitigation for 2027-2029 and Future Triennia

	2027-2029	2030-2032	2033-2035
HFC production project preparation (China and India)	2	-	-
HFC phase-down plan (KPPMPs)	0	-	-
HFC-23 Mitigation Project Prep (China)	0.15	-	-
HFC-23 Mitigation Project Approved (Argentina and Mexico)	1.61	0.51	0
HFC-23 Investment Project Estimated (India)	8	-	-
Subtotal - HFC Production and HFC-23 Mitigation (US$ million)	**11.76**	**0.51**	-

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Institutional Strengthening & Standard Activities

	2027-2029
Institutional Strengthening (IS)	45
UNEP Compliance Assistance Programme (CAP)	39
UNDP, UNIDO, and World Bank Core Unit	18
ExCom, MLF Secretariat, Monitoring and Evaluation	25
Treasurer functions	1.5
IS and Standard Activities Sub-Total (US$ million)	**129**

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Range of Total Estimated Funding Requirement for the 2027-2029 MLF Replenishment

2027-2029 Triennium	Low-end Range	High-end Range
SUBTOTAL – HCFC ACTIVITIES	451	573
SUBTOTAL – HFC ACTIVITIES	702 – 781	970 – 1,053
SUBTOTAL – IS & STD ACTIVITIES	129	129
GRAND TOTAL (US$ million)	1,282 – 1,361	1,672 – 1,755

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Range of Total Estimated Funding Requirement for the 2030-2032 and 2032-2035 MLF Replenishment

2030-2032 Triennium	Low-end Range	High-end Range
GRAND TOTAL (US$ million)	1,097 – 1,128	1,283 – 1,318

2032-2035 Triennium	Low-end Range	High-end Range
GRAND TOTAL (US$ million)	633 – 648	728 – 745

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ADDITIONAL INFORMATION RELEVANT TO REPLENISHMENT

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Special needs of LVCs and VLVCs

- TOR: Taking into account the "special needs of LVC and VLVC countries taking into account relevant decision of the ExCom pertaining to those countries"
- RTF determined two issues related to funding of LVC and VLVC impacting their ability to transition out HFCs.
  - **system-building activities incurred at fixed costs representing 30% -60% of the total funding**
  - **technician training cost were between US$ 12,000 and US$ 225,000;and representing 16 - 26% of the total cost for LVCs and up to 47% for VLVCs.**

With the majority of funding reserved for these two issues, LVCs and VLVCs may struggle with the technology transition needed for the phase-down

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Special Needs of LVCs and VLVCs, cont'd

- What KIP stage II would look like if funded at the same level as the combined KIP Stage I and HPMP Stage III available until 2029

Category	KIP-I	Combined KIP-I + HPMP-III	Combined if first three brackets were the same
1	135,000	325,500	418,000
2	145,000	388,750	418,000
3	158,000	418,000	418,000
4	170,000	462,500	462,500
5	180,000	488,750	488,750
6	190,000	515,000	515,000
7	325,000	845,000	845,000
8	360,000	945,000	945,000

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Integrating Digital Technologies and Tools in the Servicing Sector

Three Tier Framework:

1. **Transaction Efficiency Improvement**
   A. Certification, Registry & Training Management
   B. Technician Servicing Records & Field Service Applications
2. **Performance Tools**
   A. Digital Job Quality Tools
   B. Monitoring & IoT Optimization
3. **Workflow & Knowledge Tools**

Digital tool approach	Indicative estimated upfront cost*	Indicative estimated ongoing cost*
Efficiency improvement	Up to US$50k	US$50-200/technician/month
Performance tools	~ US$10k	Up to US$200/technician/month
Workflow & Knowledge tools	Up to US$1.25m	~ US$25k/month

***Actual costs vary** by country context, scale, connectivity, localization and support needs; some costs may already be included in the various plans being submitted to the MLF.

LRM Activity	Representative Actions	Indicative Additional Funding
Enhance Recovery, Recycling, and Collection Systems	Equip technicians with recovery machines, cylinders, digital charging gauges, and associated tools	US$ 1,500 per technician
	Establish collection frameworks and incentives for refrigerant recovery and recycling	US$10,000 per party
	Support technician participation and offset return logistics costs through profit-sharing or incentives	US$ 250 per technician
Expand Access to Reclamation	Establish reclamation centres, where feasible, supported by sustainable business models	US$ 140,000 per party
Enable Transboundary Movement	Facilitate transboundary shipment of recovered refrigerants for reclamation/destruction under the Basel Convention	US$ 51,300 per party
Enable Environmentally Sound Destruction	Retrofit cement kilns or other facilities for refrigerant destruction with monitoring, verification, and licensing	US$ 50,000–100,000 per facility

THANK YOU

UNEP