**Solutions from the Informal Group consulting on challenges regarding**

**funding issues and flexibility in implementation**

**Overarching principles and timelines**

To address the HFC phase-down, the Parties agree to revise within one year after the adoption of the amendment, procedures, criteria and guidelines of the MLF.

In addressing the HFC phase-down, revise the rules of procedure of the ExCom with a view to building in more flexibility for Article 5 Parties.

The Chair of the Executive Committee must report back to the Meeting of the Parties on the progress made in accordance with this decision, including on cases where Executive Committee deliberations have resulted in a change in the national strategy or the national technology choice submitted to the Executive Committee.

**Principles on 2nd and 3rd conversions**

That first conversions, in the context of a phase-down of HFCs, is defined as conversions of enterprises to low-GWP or zero GWP alternatives that have never received any direct or indirect support, in part or in full, from the MLF, including enterprises that converted to HFCs with their own resources.

That enterprises that have already converted to HFCs in phasing out CFCs and/or HCFCs will be eligible to receive funding from the MLF to meet agreed incremental costs in the same manner as enterprises eligible for 1st conversions.

That enterprises that convert from HCFCs to high-GWP HFCs, after the adoption of an HFC amendment under HPMPs already approved by the ExCom will be eligible to receive funding from the MLF for a subsequent conversion to low-GWP or zero GWP alternatives to meet agreed incremental costs in the same manner as enterprises eligible for 1st conversions.

That enterprises that convert from HCFC to high GWP HFCs with their own resources before the freeze date of HFC phase-down will be eligible to receive funding from the MLF to meet agreed incremental costs in the same manner as enterprises eligible for 1st conversions.

To agree that enterprises that convert from HFCs to lower-GWP HFCs with MLF support when no other alternatives are available will be eligible to receive funding from the MLF for a subsequent conversion to low-GWP or zero GWP alternatives, if necessary to meet the final HFC phase-down step.

**Sustained aggregate reductions**

Remaining eligible consumption for funding in tonnage will be determined on the basis of the starting point of the national aggregate consumption less the amount funded by previously approved projects in future multi-year agreement templates for HFC phase-down plans (Consistent with Dec. 35/57)

**Enabling activities**

Enabling activities will be supported by the MLF in any HFC phase down agreement.

* Capacity building and training for handling HFC alternatives in the servicing sector, the manufacturing and production sectors
* Institutional Strengthening
* Article 4b Licensing
* Reporting
* Demonstration projects
* Developing national strategies