TECHNOLOGY AND ECONOMIC ASSESSMENT PANEL

Assessment of the Funding Requirement for the Replenishment of the MLF for 2027-2029

Supplementary Report

TEAP REPLENISHMENT TASK FORCE (RTF) CO-CHAIRS:
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UN environment
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SEPTEMBER 2026 TEAP REPLENISHMENT SUPPLEMENTARY REPORT

Chapter 1	Introduction
Chapter 2	Updates to RTF May 2026 Report for estimated funding requirement for 2027–2029 triennium and future triennia 2030-2032 and 2033-2035
Chapter 3	Additional information and scenarios: Overall suggestions /methodological approach
Chapter 4	Additional information and scenarios: LVCs/VLVCs
Chapter 5	Additional information and scenarios: LRM

SEPTEMBER 2026 TEAP REPLENISHMENT SUPPLEMENTARY REPORT, CONT'D

Annex 1: List of parties pending ratification of the Kigali Amendment

Annex 2: Estimated funding methodology for HCFC consumption sector

Annex 3: Methodology to estimate funding requirements for HFC phase-down in the consumption sector

Annex 4: MLFS information to support new scenario 1c: CE based on average funding levels for each A5 party over the past six years

Annex 5: Fixed-cost analysis and activity-based scale-up analyses for LVCs/VLVCs

Annex 6: Description of LRM calculation model

Annex 7: Project preparation for KIPs and cost details

PRESENTATION PURPOSE AND SCOPE

- **Purpose**
  - Present the findings of the September 2026 RTF Supplementary Report following the requests made by parties at OEWG-48.
- **What is updated (Chapter 2)**
  - The May 2026 Report funding estimates and ranges were updated and presented as the "Updated May 2026 Report". Project management unit (PMU) costs were included.
  - Institutional Strengthening (IS) and Standard Activities funding estimates were unchanged.
- **What is additional (Chapters 3, 4, and 5)**
  - Alternative HCFC/HFC scenarios, revised timing assumptions for KIPs, an LVC/VLVC high-end scenario, and an illustrative lifecycle refrigerant management (LRM) funding window estimate.
  - The scenarios show the sensitivity of estimates to assumptions; they are not all equivalent forecasts or agreed funding levels.

Chapter 2: Updates to the May 2026 RTF Report



UPDATES TO THE RTF MAY 2026 REPORT

Changes:

- Funding estimates and ranges were updated to reflect the 98th Executive Committee meeting (ExCom-98) approvals and decisions, including revisions on funding needs for energy efficiency and regional atmospheric monitoring pilot projects.
- New Article 7 (A7) data and Country Programme (CP) data reported, ratification status change (as of 10 August 2026) have impacted the previous funding estimates.
- Funding estimates now include Project Management Unit (PMU) costs.

No changes:

- Funding model methodology, including its parameters and assumptions (i.e., the CE based Scenarios 1 and 2 and the proposed Resource Allocation schedules, and 15% Percentage applied to account for foreign ownership in manufacturing sectors)
- Institutional Strengthening (IS) and Standard Activities (SA) funding estimates

Therefore, the funding estimates and ranges in the "Updated May 2026 Report" replace the ones in the May 2026 Report .

Updated May 2026 Report: HCFCs
Same Scenarios 1 and 2 and Resource Allocation Schedules

Same Scenarios in both May 2026 and Updated May 2026 Reports	HCFCs Resource Allocation Schedules	
	2027-2029	2030-2032
Scenario 1- Historical CE	90% Funding	10% Funding
Scenario 2- CE in Cost Guidelines	90% Funding	10% Funding

Funding required for the total HCFC phaseout by 2030 was estimated and 90% allocated in 2027-2029 leaving 10% in 2030-2032

Updated RTF May 2026 Report
PMU Costs for Total (100%) HCFC phaseout

RTF Scenarios	Total cost for PMU (US$ million)*
Scenario 1- Historical CE	16
Scenario 2- CE in Cost Guideline	23

*PMU: applied to non-LVCs at 5% for largest party and 10% for remaining parties.

Updated May Report: Estimated Total Funding for the HCFC Phase-out in the Consumption and Production Sectors (US$ million)

Triennium	Sector	HCFC ESTIMATED FUNDING (US$ million)*	
		Scenario 1 with 90%/10% Allocation	Scenario 2 with 90%/10% Allocation
2027-2029	HCFC Consumption sector with scenarios and resource allocations	413.33	540.85
	HCFC Production sector	23.54	23.54
	TOTAL FUNDING RANGE	**436.87**	**564.39**
2030-2032	HCFC Consumption sector with scenarios and resource allocations	64.59	78.75
	HCFC Production sector	23.54	23.54
	TOTAL FUNDING RANGE	**88.13**	**102.29**

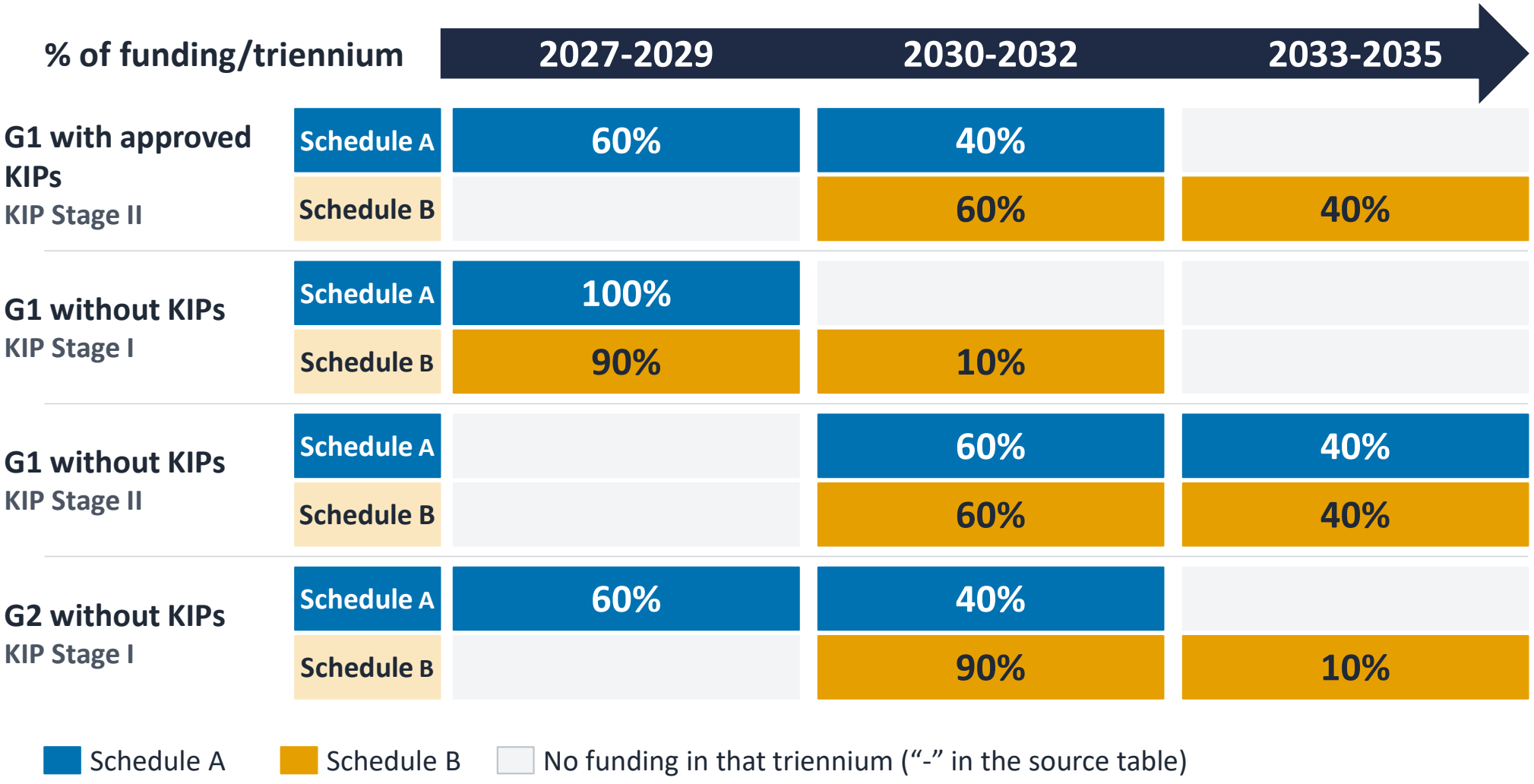
* PMU included

Updated May 2026 Report: HFCs
Same Scenarios 1 and 2 and Resource Allocation Schedules

2027 to 2035 Total funding estimated for Stages I (10%) and II (30%) for G1; and Stage I (10%) for G2	Cost Effectiveness Threshold, CE	Resource Allocation Schedule*
Scenario 1	ExCom Guidelines CEs (KIP) without SMEs	**A and B**
Scenario 2	ExCom Guidelines CEs (KIP) with SMEs	**A and B**

*** Total Funding is Allocated (distributed) among different triennium as per schedules A and B**

HFC Resource Allocation Schedules A and B



Updated RTF May 2026 Report
PMU Costs for HFC phase-down

2027 to 2035 Total funding estimated for Stages I (10%) and II (30%) G1; and Stage I (10%) for G2	Cost Effectiveness Threshold, CE	PMU Cost * (US$ million)
Scenario 1	ExCom Guidelines CEs without SMEs	**109**
Scenario 2	ExCom Guidelines CEs with SMEs	**112**

* PMU: for non-LVCs at 5% for the largest consuming A5 party, 7% for the next top 10 A5 consuming parties, and 10% for remaining A5 parties

Updated RTF May Report: Estimated Total Funding for HFC Phase-down in the Consumption and Production Sectors (US$ million)

Triennium	Sector	HFC ESTIMATED FUNDING (US$ million)*	
		Resource Allocation A	Resource Allocation B
2027-2029	HFC Consumption sector with scenarios and resource allocations	958 – 995	660 – 690
	HFC Production sector and HFC-23 mitigation	3.61	3.61
	TOTAL HFC RANGE	**961 – 999**	**664 – 694**
2030-2032	HFC Consumption sector with scenarios and resource allocations	860 – 887	1,043 – 1,075
	HFC Production sector and HFC-23 mitigation	0.51	0.51
	TOTAL HFC RANGE	**861 – 888**	**1,044 – 1,076**
2033-2035	HFC Consumption sector with scenarios and resource allocations	454 – 470	569 – 587
	HFC Production sector and HFC-23 mitigation	-	-
	TOTAL HFC RANGE	**454 – 470**	**569 – 587**

* PMU included

Comparison of Total Funding Ranges presented in the May 2026 Report with the Updated May 2026 Report for the 2027-2029 Triennium (US$ million)

2027-2029 Triennium	RTF May 2026 Report Funding Range	Updated RTF May 2026 Report Funding Range*
SUBTOTAL – HCFC ACTIVITIES	451 – 573	437 – 564
SUBTOTAL – HFC ACTIVITIES	702 – 1,053	664 – 999
SUBTOTAL – IS & SA	129	129
GRAND TOTAL (US$ million)	1,282 – 1,755	1,230 – 1,692

* PMU included

Chapter 3: New Scenarios Suggested from OEWG-48



NEW SCENARIOS FROM OEWG-48 SUGGESTIONS

OEWG-48 Suggestions	New Scenarios
Overall Suggestions	
1) When estimating the funding requirements for HPMPs and KIPs, apply CE factors according to three scenarios: a) one based on historical Cost-effectiveness (CEs);	1a: HPMP and KIPs
b) a second one based on CE factors for each A5 party over the past 6 years; and	1b: HPMP and KIPs
c) a third one based on average funding levels for each A5 party over the past 6 years	1c: HPMP and KIPs
2) To request the Panel to present revised funding ranges with alternative scenarios that assess the impact of the following: a) A low-end scenario based on the most recently reported consumption data for HCFCs and HFCs and a high-end scenario based on established HFC baselines and HCFC remaining eligible consumption	2a: HPMP and KIPs
b) Realistic project implementation timelines such as modifying resources allocation schedule A for Stage II KIPs and to take into account rates of ratification for remaining non-parties to the Kigali Amendment	2b: KIPs

NEW SCENARIOS, CONT'D

LVCs/VLVCs
To provide a high-end scenario for a possible increase to the funding estimate in the resource allocation tables in chapter 3 for LVC and VLVC countries for Stage II of their KIPs, in consultation with the MLF secretariat, taking into account the capacity of those countries to absorb increased funding
LRM
Include a cost estimate for a high-end scenario for the potential funding window to be considered at the 100th ExCom meeting for the period 2027-2029 to support the implementation of national plans developed pursuant to decision 91/66, taking into account that activities to recover, recycle and reclaim refrigerants are also financed under HPMPs and KIPs

CHAPTER 3: NEW SCENARIOS SUGGESTED FROM OEWG-48

HCFC Activities



PARTIES WITH ELIGIBLE REMAINING HCFC CONSUMPTION FOR COMPLETE PHASEOUT

- As of ExCom-98, only 17 parties have eligible remaining HCFC consumption:
  - LVC- 6 parties; and 1 LVC party with cancelled HPMP
  - Non-LVC- 8 parties (including China); and 2 non-LVC parties with cancelled HPMPs .

HPMP NEW SCENARIO 1a: BASED ON HISTORICAL COST-EFFECTIVENESS THRESHOLD(CE)

Funding was estimated for the 17 parties, as follows:

- ❑ For the LVC parties: Funding was calculated as per **Decision 74/50.**
- ❑ For the Non-LVC parties:
  - ➢ China: CE Historical = Average of individual sector CEs in China HPMP I and II:
    ICR= 4.96 $/kg; Residential AC and HP= 4.0 $/kg; Servicing sector= 3.0 $/kg
  - ➢ For all other parties, RTF applied **CE of 4.8 US$/kg for servicing**, and for 3 of them which indicated residual consumption in commercial refrigeration sector, RTF applied **CR CE of 10.7 US$/kg.**

✓ PMU costs were included.

HCFC CONSUMPTION SECTOR	Proposed Resource Allocation per Triennium (US$ million)*		Proposed Resource Allocation per Triennium (US$ million) *	
	2027-2029	2030-2032	2027-2029	2030-2032
	Scenario 1 Updated May Report		**New Scenario 1a (Historical CE)**	
	90%	**10%**	**90%**	**10%**
Funding Committed for Approved HPMPs (phase out)	88.22	28.57	88.22	28.57
New Funding for 3 Parties with cancelled HPMPs	7.33	0.81	7.33	0.81
Funding Committed for 16 parties with Approved HPMPs (for less than 100% reduction)	0.96*	0.00*	0.96*	0.00*
Estimated New/ Additional funding for 6 LVCs to complete phaseout	1.94	0.22	1.94	0.22
Estimated New Funding for 8 non-LVC parties for complete phaseout	295.06	32.78	211.91	23.55
PMU *	14.82	1.65	10.89	1.21
Total Estimated Funding for HCFC Consumption Sector	408.32	64.03	321.25	54.36

* PMU: for non-LVCs at 5% largest party, 10% for other parties

IMPACT OF NEW SCENARIO 1a FOR THE HCFC CONSUMPTION SECTOR ESTIMATE

- The impact of the application of New Scenario 1a, historical CE, **is a reduction of US$ 87.10 million**, when compared with the Updated RTF May Report (low-end Scenario 1) estimates.

HPMP NEW SCENARIO 1b: CE FACTORS FOR EACH A5 PARTY OVER THE PAST 6 YEARS

Funding was estimated for the 17 parties, as follows:

- ❑ For the LVC parties: Funding was calculated as per Decision 74/50.
- ❑ For the Non-LVC parties:
  - ✓ For China, RTF used sector CEs from the HPMP II, as representative of the past 6 years (2020-2025)
  - ✓ CEs used: 2.59 US$/kg for ICR sector; 1.29 US$/kg for residential air conditioning (AC) and heat pumps; and 1.36 US$/kg for servicing.
  - ✓ For all other parties, RTF applied CE of 4.8 US$/kg for servicing . For 3 of them which indicated residual consumption in commercial refrigeration sector, RTF applied CE of 10.7 US$/kg.
  - ✓ PMU costs were included.

HCFC CONSUMPTION SECTOR	Proposed Resource Allocation per Triennium (US$ million)*		Proposed Resource Allocation per Triennium (US$ million) *	
	2027-2029	2030-2032	2027-2029	2030-2032
	Scenario 1 Updated May Report		New Scenario 1b (CE over past 6 years)	
	90%	10%	90%	10%
Funding Committed for Approved HPMPs (phase out)	88.22	28.57	88.22	28.57
New Funding for 3 Parties with cancelled HPMPs	7.33	0.81	7.33 ***	0.81***
Funding Committed for 16 parties with Approved HPMPs (for less than 100% reduction)	0.96	0.00	0.96	0.00
Estimated New/ Additional funding for 6 LVCs to complete phaseout	1.94	0.22	1.94	0.22
Estimated New Funding for 8 non-LVC parties for complete phaseout	295.06	32.78	102.31	11.37
PMU *	14.82	1.65	5.74	0.64
Total Estimated Funding for HCFC Consumption Sector	408.32	64.03	206.50	41.61

* PMU: for non-LVCs at 5% largest party, 10% for other parties

IMPACT OF NEW SCENARIO 1b FOR HCFC CONSUMPTION SECTOR ESTIMATE

- For the 2027-2029 triennium, the impact of the application of New Scenario 1b, based on CE factors for each A5 party over the past 6 years (2020-2025), **is a reduction of US$ 201.8 million**, when compared with the Updated RTF May Report (low-end Scenario 1) estimates.

HPMP NEW SCENARIO 1c: CE FACTORS BASED ON AVERAGE FUNDING LEVELS FOR EACH A5 PARTY OVER THE PAST 6 YEARS

Funding was estimated for the 17 parties, as follows:

- ❑ **For the LVC parties: Funding was calculated as per Decision 74/50.**
- ❑ **For the Non-LVC parties:**
- ✓ MLFS provided the CE factors based on HPMP average funding levels for each A5 party over the past 6 years.
- ✓ RTF applied the individual party information to the ones with eligible remaining consumption, as of the 98th ExCom meeting.
- ✓ Funding was then calculated using MLFS information, that is,
  - For the largest consumption party, CE provided is 1.56 US$/kg and for the other parties, CEs provided for each party individually ranged from 2.05 to 8.12 US$/kg.

HCFC CONSUMPTION SECTOR	Proposed Resource Allocation per Triennium (US$ million)*		Proposed Resource Allocation per Triennium (US$ million)*	
	2027-2029	2030-2032	2027-2029	2030-2032
	Scenario 1 Updated May Report		**New Scenario 1c (Avg. funding levels over the past 6 Years)**	
	90%	10%	90%	10%
Funding Committed for Approved HPMPs (phase out)	88.22	28.57	88.22	28.57
New Funding for 3 Parties with cancelled HPMPs	7.33	0.81	6.43	0.71
Funding Committed for 16 parties with Approved HPMPs (for less than 100% reduction)	0.96	0.00	0.96	0.00
Estimated New Funding for 6 LVCs to complete phaseout	1.94	0.22	1.94	0.22
Estimated New Funding for 8 non-LVC parties for complete phaseout	295.06	32.78	98.18	10.91
PMU *	**14.82**	**1.65**	**5.49**	**0.61**
Total Estimated Funding for HCFC Consumption Sector	**408.32**	**64.03**	**201.22**	**41.02**

* PMU: for non-LVCs at 5% largest party, 10% for other parties

IMPACT OF NEW SCENARIO 1c FOR HCFC CONSUMPTION SECTOR ESTIMATE

- The impact of the application of New Scenario 1c. "CE factors based on funding levels for each A5 party over the past 6 years" (2020-2025), **is a reduction of US$ 207.1 million,** when compared with the Updated RTF May Report (low-end Scenario 1) estimates.

New Scenario 1c is the scenario that brings the largest funding reduction

2027-2029 TOTAL ESTIMATED FUNDING FOR HCFC PHASE-OUT AND ASSOCIATED REDUCTION IMPACT OF NEW SCENARIOS 1a, 1b, AND 1c (US$ MILLION)

HCFCs Activities 2027-2029 Triennium	Updated RTF May Report Estimates for Comparison	New Scenario 1a. HPMP (CE historical)	New Scenario 1b. HPMP (CE past 6 years)	New Scenario 1c. HPMP (CE average funding over past 6 years)
New Scenarios: Reductions applied to Low-End Scenario 1, with 90% Allocation	N/A	87.10	201.8	207.1
Total Funding* (US$ million)	**437**	**350**	**235**	**230**

Refer to Table ES.4

2027-2029 TOTAL ESTIMATED FUNDING RANGE APPLYING NEW SCENARIO 1c. COMPARED TO THE "UPDATED RTF MAY REPORT" RANGE (US$ MILLION)

2027-2029 Triennium	Updated May Report Estimates Range	Supplementary Report Estimates Range Applying New Scenarios
SUBTOTAL – HCFC ACTIVITIES	437 – 564	230 – 564

The new estimated funding ranges consider the lowest and highest from all new scenarios

- The low-end funding estimate is from applying New Scenario 1c, that is US$ 230 million.
- The high-end funding estimated of US$ 564 million is kept the same as in the Updated RTF May Report.

CHAPTER 3: NEW SCENARIOS SUGGESTED FROM OEWG-48

HFC Activities



HFC- NEW SCENARIOS

	Updated May 2026 Report		New Scenarios Applicable to Scenario 1 of the Updated May 2026 Report			Additional New scenarios	
Scenario	**1(base)**	**2**	**1a**	**1b**	**1c**	**2a**	**2b**
HFC activities	Funding at KIP cost guidelines level without SMEs; Resource Allocations A &B	Funding at KIP cost guidelines level with SMEs; Resource Allocations A & B	Based on historical CEs Allocations A & B	Based on CEs per party over past 6 years Allocations A & B	Based on average funding levels per party over past 6 years Allocations A & B	Low-end based on most recent data	Realistic project implementation Modifying Allocation A for Stage II KIPs (ratification pace)

KIP NEW SCENARIO 1a: BASED ON HISTORICAL CE

Source of Information

- MLFS provided information on **historical CEs** for investment projects across different manufacturing sectors for approved KIPs (37 HFC projects in 18 parties).
- The CEs varied from 2.64 US$/kg for polyurethane (PU) foam to 116.8 US$/kg for mobile air conditioning (MAC). Chapter 3 details how RTF used MLFS information

How RTF applied CEs

- Sector CEs provided were applied to the "Updated RTF May Report Scenario 1" (low-end), with the same Resource Allocation Schedules A and B- (Chapter 3)

Results

  - Resource Allocation Schedule A - reduction of US$ 65.2 million
  - Resource Allocation Schedule B - reduction of US$ 38 million

New estimates for Scenario 1a for KIPs are summarised in Table ES.6.

2027-2029 TOTAL ESTIMATED FUNDING FOR HFC PHASE-DOWN APPLYING NEW SCENARIO 1a. HISTORICAL CEs (US$ MILLION)

HFCs Activities 2027-2029	Updated May Report Scenario 1 Resource Allocation A	New Scenario 1a (CE Historical) Allocation A	Updated May Report Scenario 1 Resource Allocation B	New Scenario 1a (CE Historical) Resource Allocation B
New Scenario 1a. Reduction applied to Updated May Report Scenario 1 (base- low-end) Allocations A and B	NA	65.2	NA	38
Total Funding (US$ million)	962	896	663	625

KIP NEW SCENARIO 1b: CE FACTORS FOR EACH A5 PARTY OVER THE PAST 6 YEARS

Source of Information

- No information was provided to RTF on CEs for KIPs in the past 6 years, other than the MLFS information based on sector-CEs for KIPs, which was used to respond to New Scenario **1a**.

Results

- Not feasible to respond to this New Scenario without additional information

KIP NEW SCENARIO 1c: CE APPLIED BASED ON AVERAGE FUNDING LEVELS FOR EACH A5 PARTY OVER THE PAST 6 YEARS (2020-2025).

Source of Information

- MLFS provided the average annual funding levels for the 83 parties with KIPs approved (2020-2025)- presented in Annex 4 of the RTF Supplementary Report.
  - Funding information does not include the highest consuming party, nor several of the top 10 consuming G1 and G2 countries, which do not have KIPs approved in past 6 years.

Results

- Application of this new scenario to estimate total funding requirements was not feasible as the information available for 83 parties is not representative of major consuming G1 and G2 parties.

KIP NEW SCENARIO 2a:

LOW-END: BASED ON THE MOST RECENTLY REPORTED CONSUMPTION DATA FOR HFCS, AND HIGH-END SCENARIO: BASED ON ESTABLISHED HFC BASELINES

- **For this scenario, RTF considered A7 most recently reported HFC consumption data as follows:**
  - For parties **with KIPs approved**, RTF cannot modify the funding commitments nor the agreed percentage reductions targets with the ExCom- Kigali Baseline applied.
  - For A5 parties **without KIPs approved**, the most recently reported A7 consumption data for HFCs was applied.
    - The CP data from the MLFS and A7 data from the OS were reviewed by application of market sectors by chemical and applied to A7 HFC reported data to derive a new percentage sector distribution by party cluster.
    - For parties without most recent reported HFC data, the HFC component of the baseline was used.
    - Data gaps were filled using the same process described in Annex 3 of RTF May Report (Methodology for Filling Baseline Data Gaps - Estimates and Assumptions).

The new sector distribution is shown in Table 3.18 of the RTF Supplementary Report.

2027-2029 TOTAL ESTIMATED FUNDING FOR HFC PHASE-DOWN APPLYING NEW SCENARIO 2a. *THE MOST RECENTLY REPORTED CONSUMPTION DATA FOR HFCS* (US$ MILLION)

HFCs Activities 2027-2029	Updated May Report Scenario 1 Resource Allocation A	New Scenario 2a (Last HCF consumption) Allocation A	Updated May Report Scenario 1 Resource Allocation B	New Scenario 2a (Last HCF consumption) Resource Allocation B
New Scenario 2a. Reduction applied to Updated May Report Scenario 1 (base-low-end) Allocations A and B	NA	146	NA	117
Total Funding (US$ million)	962	816	663	547

IMPACT OF NEW SCENARIO 2a FOR KIPS

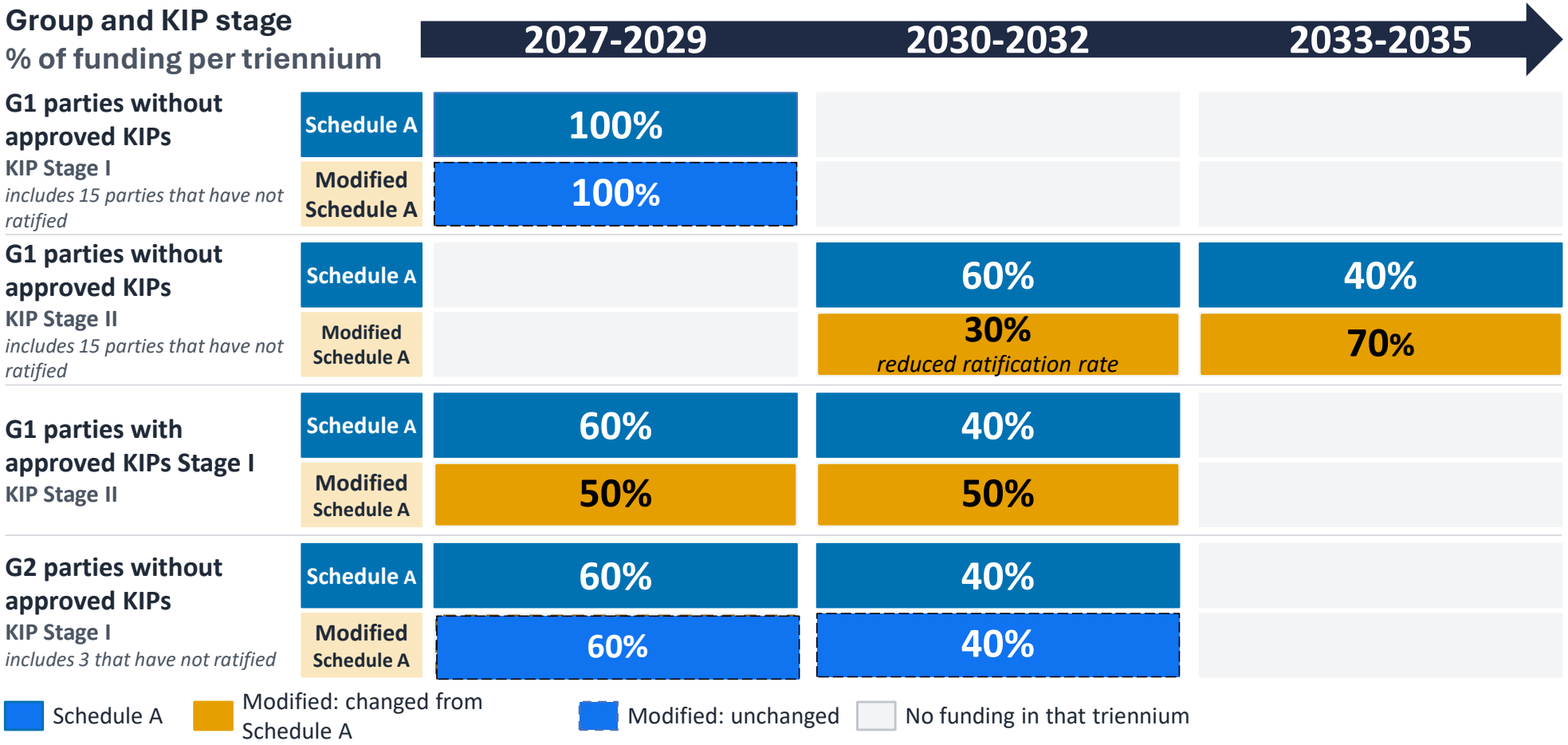
- The application of New Scenario 2a for KIPs results in funding figures that are **US$ 146 million and US$ 117 million lower**, when applying resource allocation schedules A and B, respectively.
- Considerable changes in methodology was involved.

KIP NEW SCENARIO 2b:

REALISTIC PROJECT IMPLEMENTATION TIMELINES, SUCH AS, MODIFYING RESOURCES ALLOCATION SCHEDULE A FOR STAGE II KIPS, AND TO TAKE INTO ACCOUNT RATES OF RATIFICATION FOR REMAINING NON-PARTIES TO THE KIGALI AMENDMENT.

- RTF modified the Resource Allocation Schedule A to account for new percentage allocation schedules for the 2027-2029 triennium, using a reduced pace for the introduction of Stage II KIPs, and at the same time accounting for the ratification pace of G1 countries non signatories to the KA

Suggested modifications to Schedule A for Stage II KIPs



BREAKDOWN OF FUNDING CALCULATIONS AND IMPACT ON FUNDING ESTIMATES FOR NEW SCENARIO 2b (US$ MILLION)

HFC Consumption and Production Sector Activities for Low-End Scenario 1 and Allocation Schedule A (see Tables 2.5 and 2.9)	2027-2029 Updated RTF May Report Scenario1 (low-end of range) Resource Allocation A US$ million	2027-2029 New Scenario 2b. Resource Allocation A US$ million
HFC Consumption Sector Activities	957.98	933.06
HFC Production Sector/HFC-23 mitigation	3.61	3.61
TOTAL HFC ACTIVITIES	**961.59**	**936.67**
Funding Impact when Applying Scenario 2b (US$ million)	**N/A**	**24. 92**

IMPACT OF NEW SCENARIO 2b FOR KIPS

- Modifying the KIPs Stage II Resource Allocation Schedule A percentages results not in reduction but the postponed **of US$ 24.9 million to future** triennia, when compared with the estimated funding for the “Updated RTF May Report”, Scenario 1 (Low-end), Resource Allocation A.

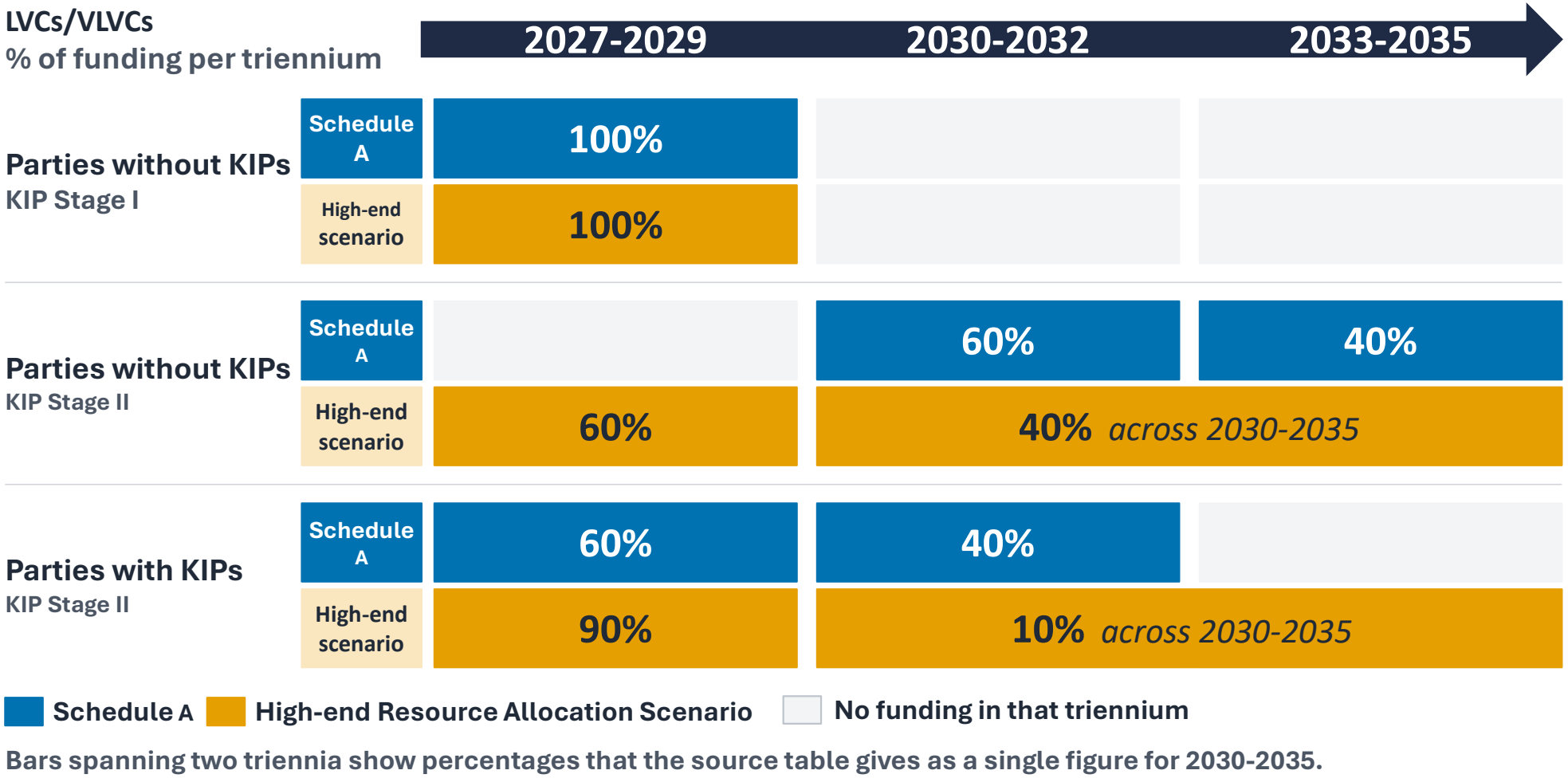
UPDATED RANGES OF TOTAL FUNDING REQUIREMENTS 2027–2029 (US$ MILLION)

2027-2029 Triennium	May 2026 Report Estimates	Updated May 2026 Report Estimates	Supplementary Report Funding Range Estimates- applying to low-end of the Updated May Report the New Scenario with greater reduction amongst 1a, b or c	Supplementary Report Funding Range Estimates applying KIP New Scenario 2a (most recent HFC consumption)
SUBTOTAL – HCFC ACTIVITIES	451 – 573	437 – 564	230 – 564	230 – 564
SUBTOTAL – HFC ACTIVITIES	702 – 1,053	664 – 999	625 – 999	547– 999
SUBTOTAL – IS & SA	129	129	129	129
GRAND TOTAL (US$ million)	1,282 – 1,755	1,230 – 1,692	984 – 1,692	906– 1,692

Chapter 4: LVCs and VLVCs

TO PROVIDE A HIGH-END SCENARIO FOR A POSSIBLE INCREASE TO THE FUNDING ESTIMATE IN THE RESOURCE ALLOCATION TABLES IN CHAPTER 3 FOR LVC AND VLVC COUNTRIES FOR STAGE II OF THEIR KIPS, IN CONSULTATION WITH THE MLF SECRETARIAT, TAKING INTO ACCOUNT THE CAPACITY OF THOSE COUNTRIES TO ABSORB INCREASED FUNDING

Resource Allocation Schedules for LVCs/VLVCs for High-End Scenario



Schedule A High-end Resource Allocation Scenario No funding in that triennium

Bars spanning two triennia show percentages that the source table gives as a single figure for 2030-2035.

POSSIBLE INCREASE FOR KIPS STAGE II

Status	Number of parties	Stage	Total Funding	Schedule A May 2026 Report	Schedule B May 2026 Report	High-end Updated May 2026 Report
Parties without KIPs	28 LVCs/ VLVCs	I	5,312,312	5,312,312	4,781,081	5,312,312
		II	10,624,624	-	0	6,374,774
Parties approved KIPS	45 LVCs/ VLVCs	II	18,408,477	11,045,086	0	16,567,630
Total (US$)			34,345,413	16,357,398	4,781,081	28,254,716

- Recalculated the high-end scenario at US $28.2M up from $16M for schedule A in the Updated May 2026 report;
- Considered several factors that supported the countries' ability to absorb this funding

Chapter 5: LRM

INCLUDE A COST ESTIMATE FOR A HIGH-END SCENARIO FOR THE POTENTIAL FUNDING WINDOW TO BE CONSIDERED AT THE 100TH EXCOM MEETING FOR THE PERIOD 2027-2029 TO SUPPORT THE IMPLEMENTATION OF NATIONAL PLANS DEVELOPED PURSUANT TO DECISION 91/66, TAKING INTO ACCOUNT THAT ACTIVITIES TO RECOVER, RECYCLE AND RECLAIM REFRIGERANTS ARE ALSO FINANCED UNDER HPMPS AND KIPS

CONSIDERATIONS FOR LRM ACTIVITIES

- HPMPs and KIPs continue to support servicing infrastructure, training, and institutional strengthening.
- LRM funding addresses critical gaps in scaling up recovery, aggregation, recycling, reclamation, and preparation for destruction.
- Developed as a modular structure to allow parties to select interventions based on their level of system development and priority gaps.
- Cost model focuses on evaluating the additional costs associated with the different LRM activities.

COST ESTIMATE FOR POTENTIAL FUNDING WINDOW FOR LRM

Module	LRM Activities	Additional Funding (US$)
1a	**Improved recovery rates at servicing** Upgrade technician equipment, refrigerant tracking system, and refrigerant collection.	18,212,000
1b	**Recovery at EOL** Capacity building, market study.	
2a	**Reclamation** Establish reclamation centres as needed.	25,920,000
2b	**Export** Create export conditions for treatment abroad.	7,416,000
3a	**Destruction** Enabling destruction as a pilot funding window for up to 20 new cement kilns.	1,000,000
	Total	52,548,000
	Pilot funding (~25% of total)	*13,137,000*

Thank you

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