DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

UNITED NATIONS DEVELOPMENT PROGRAMME

Empowered lives.
Resilient nations.

PROJECT DOCUMENT

Republic of Moldova

Project Title: Republic of Moldova's HCFCs Phase-Out Management Plan – Stage III (100% HCFCs Phase-Out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040)

Project Number:

Implementing Partner: Ministry of Environment, through the national Montreal Protocol Unit of the Public Institution "Environmental Projects Implementation Unit"

Start Date: 1 January 2022; **End Date:** 31 December 2030; **PAC Meeting date:** 8 February 2022.

Brief Description

The XIX Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6 adopted an accelerated phase-out schedule for HCFCs (Annex C, Group I). The first control step was to freeze production and consumption of HCFCs from 1 January 2013, at the Baseline Level (average of 2009 and 2010 levels). The other control targets are reduction of 10% by 2015, reduction of 35% by 2020, reduction of 67.5% by 2025 and complete phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040. Republic of Moldova is an Article 5 (A-5) Party to the Montreal Protocol and must comply with the above phase out timetable.

The Executive Committee (ExCom) of the Multilateral Fund (MLF) approved at its 84th meeting in December 2019 a project supporting the Republic of Moldova to develop the HCFC Phase-Out Management Plan Stage III proposal, focusing on compliance with the Montreal Protocol targets. The project was implemented jointly by United Nations Development Programme (UNDP), as Lead Implementing Agency and United Nations Environment Programme (UNEP), as Co-operating Implementing Agency. The HPMP-stage III project was approved by the Executive Committee (ExCom) of the Multilateral Fund (MLF) at its 88th meeting which took place since 15 to 19 November 2021 and is focused on collection of information inputs in consultation with the industry/commercial/private/public sectors and design of future national interventions for the Republic of Moldova to meet HCFCs phase-out obligations. HPMP-stage III addressed phase-out of HCFCs consumption mainly in the Refrigeration and Air-Conditioning (RAC) servicing sector, with focuses on industrial and commercial refrigeration. The HPMP-stage III defines a long-term strategy that provided an overall direction with a list of critical actions to be undertaken in order to achieve complete HCFCs phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040.

The project document has been prepared by the national Montreal Protocol Unit (MPU) of the Public Institution "Environmental Projects Implementation Unit" with the support of UNDP CO, and has gone through national stakeholder consultation process to agree on the format of MLF assistance needed to accomplish HCFCs Phase-Out Management Plan. With reference to the investment components of the HPMP-stage III, its architecture includes the following activities: (i) Strengthening of the HCFCs RRR system and application of good refrigeration practices and procedures in the RAC services sector; (ii) Technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection; and (iii) Develop and implement a new technologies demonstration programme on natural refrigerants in commercial and cold stories sectors via local assembly.

Contributing Outcome (UNDAF/CPD 2018-2022):

UNDAF Outcome 3: The people of Moldova, benefit from enhanced environmental governance, energy security, sustainable management of natural resources, and climate and disaster resilient development

Indicative Outputs with gender marker[2]:

OUTPUT 3.1: Enhanced use of renewables and advanced energy efficiency;

OUTPUT 3.3 National and sub-national governments have improved capacities to integrate resilience to climate change and disasters into development plans and practices to reduce population's vulnerability.

Gender marker: GEN1

Total resources required:	US$ 365,405.00	
Total resources allocated:	**UNDP TRAC:**	-
	Donor (MLF):	365,405.00
	Government:	-
	In-Kind:	-
Unfunded:		-

Agreed by (signatures)[1]:

Government	UNDP	Implementing Partner
Name: Iuliana CANTARAGIU Minister of Environment	Name: Dima AL-KHATIB Resident Representative	Name: Anatolie RISINA Director of the Public Institution "Environmental Projects Implementation Unit"
DocuSigned by: Iuliana Cantaragiu Date: 10-mai.-2022 FCA2269433A5421...	DocuSigned by: Dima Al-Khatib Date: 06-May-2022 3620370E8BCA46E...	DocuSigned by: Anatolie Risina Date: 06-May-2022 72EDDAA97BA9492...

[1] Note: Adjust signatures as needed.

[2] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality).

DS SPC

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

ACRONYMS AND ABBREVIATIONS

A-5	Parties to the Montreal Protocol operating under its Article 5
AA	Association Agreement
AC	Air Conditioning
AEE	Agency for Energy Efficiency
AR5	IPCC Fifth Assessment Report
CCE	Centre for Continuing Education of the Technical University of Moldova
CCU	Climate Change Unit of the Public Institution “Environmental Projects Implementation Unit”
CFCs	Chlorofluorocarbons
CS	Customs Service
EAs	Enabling Activities
EE	Energy Efficiency
EU	European Union
ExCom	Executive Committee
GD	Governmental Decision
Gt	Giga tonne
GWP	Global Worming Potential
HCFCs	Hydrochlorofluorocarbons
HFC	Hydrofluorocarbons
HPMP	Hydrochlorofluorocarbons Phase-Out Management Plan
HVAC-R	Heating, Ventilation, Air Conditioning and Refrigeration Sector
IEP	Inspectorate for Environment Protection
IIR	International Institute of Refrigeration
IPCC	Intergovernmental Panel on Climate Change
IS	Institutional Strengthening (Projects)
MFS	Multilateral Fund Secretariat
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MoEN	Ministry of Environment
MP	Montreal Protocol
MPU	Montreal Protocol Unit of the Public Institution “Environmental Projects Implementation Unit”
MT	Metric Tons
NBS	National Bureau of Statistics
NDCs	Nationally Determined Contributions
NGOs	Non-Governmental Organizations
NIM	National Implementation Modality
OAI	Office of Audit and Investigations
ODP	Ozone Depletion Potential
ODS	Ozone Depletion Substances
P.I. “CEEE”	Public Institution “Centre of Excellence in Energy and Electronics”
P.I. “EPIU”	Public Institution “Environmental Projects Implementation Unit”
RAC	Refrigeration and Air-Conditioning
SBAA	Standard Basic Assistance Agreement
SDGs	Sustainable Development Goals
SEA	Special measures for protection from sexual exploitation and sexual abuse
SES	Social and Environmental Screening
SH	Sexual Harassment
TCC	Technological College in Chisinau
TUM	Technical University of Moldova
TWh	Terawatt/hour
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

I. DEVELOPMENT CHALLENGE

1. Since its independence, Republic of Moldova has actively taken part in international efforts to protect the environment. It signed the UN Rio Declaration on Environment and Development in 1992, and followed-up on the commitments assumed under the Johannesburg World Summit on Sustainable Development in 2002 and in the United Nations Conference on Sustainable Development in 2012. The Republic of Moldova has also taken part actively in the implementation of the Millennium Development Goals which ended in 2015, and is now extensively engaged in operationalization the 2030 Agenda for Sustainable Development where environment is embedded across almost all 17 Sustainable Development Goals (SDGs).
2. In line with the global relevant efforts, Republic of Moldova has developed an extensive environmental framework of laws, concepts, strategies, programmes and plans to cover at the policy level all major environmental areas. The most urgent current environmental challenges are: soil, air and water pollution, biodiversity conservation, climate change and disaster risk reduction, environmental education and awareness, but also waste and chemicals.
3. Until now, the country has joined 19 conventions, 13 protocols and 3 international environment agreements (Box 1-1).

Box 1-1: International Conventions and Additional Protocols to which Republic of Moldova is a Party

1. Convention on Long-Range Transboundary Air Pollution (Geneva, 13 Nov 1979), ratified by Parliament Decision No. 399-XIII of 16 March 1995;
    - Protocol on the Persistent Organic Pollutants to the Convention on Long-Range Transboundary Air Pollution (Geneva, 1979), ratified by Law No. 1018-XV of 25 April 2002;
    - Protocol on Heavy Metals to the Convention on Long-range Transboundary Air Pollution (Geneva, 1979), ratified by Law No. 1018-XV of 25 April 2002;
    - Protocol to Abate Acidification, Eutrophication and Ground-level Ozone to the Convention on Long-Range Transboundary Air Pollution (Geneva, 1979), signed by RM on 23 May 2000;
    - Protocol on the Long-term Financing of the Co-operative Programme for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP) in Geneva (Switzerland) on 28 September 1984, ratified by Law No. 215 of 3 December 2015.
2. Convention on Ozone Layer Protection (Vienna, 22 March 1985), ratified by Parliament Decision No. 966-XII of 27 June 1996;
    - Protocol on Substances that Deplete the Ozone Layer (Montreal, 16 Sept 1987) to the Convention on Ozone Layer Protection (Vienna, 1985), ratified by Parliament Decision No. 966-XII of 27 July 1996;
3. Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 25 February 1991), ratified by Parliament Decision No.1546-XII of 23 June 1993;
    - Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a Transboundary Context, Kiev, 21 May 2003, ratified by Law No. 156 of 27 July 2018.
4. Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Helsinki, 17 March 1992), ratified by Parliament Decision No.1546-XII of 23 June 1993;
    - Protocol on Water and Health to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Helsinki, 1992), ratified by Law No.207-XVI of 29 July 2005;
5. Convention on the Transboundary Effects of Industrial Accidents (Helsinki, 17 March 1992), ratified by Parliament Decision No.1546-XII of 23 June1993;
    - Protocol on Strategic Environmental Assessment (Kiev, 2003) to the Convention on the Transboundary Effects of Industrial Accidents (Helsinki, 1992), signed by RM on 21 May 2003;
6. Convention on Access to Information, Public Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus, 1998), ratified by Parliament Decision No. 346-XIV of 7 April 1999;
    - Protocol on Pollutant Release and Transfer Registers (PRTRs) to the Convention on Access to Information, Public Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus, 1998), signed by RM on 21 May 2003;
7. Minamata Convention on Mercury, Kumamoto, 10 October 2013, ratified by Law No. 51 of 30 March 2017;
8. Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel, 22 March 1989), ratified by Parliament Decision No.1599-XIII of 10 March 1998;
9. Convention on Biological Diversity (Rio de Janeiro, 1992), ratified by Parliament Decision No. 1546-XII of 23 June 1993;
    - Cartagena Protocol on Biosecurity to the Convention on Biological Diversity (Rio de Janeiro, 1992), ratified by Moldova by Law No. 1381 – XV of 11 October 2002;
    - Nagoya - Kuala Lumpur Supplementary Protocol on Liability and Redress to the Cartagena Protocol on Biosafety Nagoya, 15 October 2010, ratified by Law No. 96 of 7 June 2018;
    - Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity Nagoya, 29 October 2010, ratified by Law No. 117 of 2 June 2016.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

10. Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington, 1973), ratified by Law No.1246 -XIV of 28 September 2000;
11. Convention on Conservation of Migratory Species of Wild Animals (Bonn, 23 July 1979), ratified by Law No. 1244-XIV of 28 September 2000;
    - Agreement on the Conservation of Bats in Europe (London, 4 December 1991), as part of the Convention on Conservation of Migratory Species of Wild Animals (Bonn, 1979), ratified by Law No.1244-XIV of 28 September 2000;
    - Agreement on the Conservation of African-Eurasian Migratory Water Birds (Hague, 16 June 1995), as part of the Convention on Conservation of Migratory Species of Wild Animals (Bonn, 1979), ratified by Law No. 1244 -XIV of 28 September 2000;
12. UN Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification (Paris, 17 June 1994), ratified by Parliament Decision No.257-XIV of 24 December 1998;
13. Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam, 10 September 1998), ratified by Law No.40-XV of 19 February 2004.
14. Convention on the Persistent Organic Pollutants (Stockholm, 2001), ratified by Law No.40-XV of 19 February 2004;
15. UN Framework Convention on Climate Change (New-York, 9 May 1992), ratified by Parliament Decision No. 404-XIII of 16 March 1995;
    - Kyoto Protocol on the UN Framework Convention on Climate Change, joined by RM by Law No. 29 of 13 February 2003;
    - Paris Agreement to the UN Framework Convention on Climate Change, joined by RM by Law No. 78 of 4 May 2017.
16. Convention on the Conservation of European Wildlife and Natural Habitats (Berne, 1979), ratified by Parliament Decision No.1546-XII of 23 June 1993;
17. European Landscape Convention (Florence, 2000), ratified by Law No.536-XV of 12 October 2001.
18. Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar, 2 February 1971), ratified by Parliament Decision No. 504-XIV of 14 July 1999;
19. Convention on Cooperation for the Protection and Sustainable Use of the Danube River (Sofia, 29 June 1994), ratified by Parliament Decision No.323-XIV of 17 March 1999.

4. Republic of Moldova ratified the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer in 1996. It has ratified the London, Copenhagen, Montreal and Beijing Amendments to Montreal Protocol (Law No.111-XV dated 27.04.2001, Law No. 34-XVI dated April 14, 2005 and Law No. 119-XVI dated 18.05.2006). The Republic of Moldova has approved also through the Governmental Decision No. 536 of 20 July 2020 the draft Law for the Accession of the Republic of Moldova to the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted on October 15, 2016, which entered into force on 1 January 2019, following ratification by 65 countries.

5. On 27 June 2014, the EU and the Republic of Moldova signed the Association Agreement (AA), which has been applied since September 2014. AA must now be ratified by each state party to the treaty. The Parliament ratified the AA RM-EU by Law No. 112 of 2 July 2014. Article 95 from the AA specifically refers to the cooperation between the two Parties in the area of climate change and ozone layer protection. At present, the Republic of Moldova is working to fulfil its obligations under the AA and to converge further its legislation towards the acquis communautaire in the field of environment protection and climate change.

6. Chapter 17 of the National Action Plan on Moldova-EU Association Agreement includes actions to be implemented for environment protection. Measures related to ozone depleting substances include elaboration and approving of the National Phase-out Programme for Hydrochlorofluorocarbons (HCFCs) for the period 2016-2040.

7. The Republic of Moldova is categorized as a low-volume consumer of HCFCs. Historically, ozone depleting substances (ODS) consumption has occurred solely through their import and use in the refrigeration and air conditioning (RAC) servicing sector. No HCFCs production capacity is established in the country. HPMP preparation surveys carried out in 2009/2010 indicated that HCFC-22 was the only substance being in demand and imported into the country, and its use was recorded solely in the RAC servicing sector. No other HCFCs consumption was found in the foam manufacturing, aerosol, fire suppression and solvent sectors.

8. The Government of the Republic of Moldova has committed to follow the Montreal Protocol Phase-Out schedule for HCFCs. The National Programme for Phase-Out of the HCFCs for 2016-2040 periods and the Action Plans for its implementation, was approved through the Government Decision (GD) No. 856 as of 13 July 2016 and revised recently through the GD No. 851 as of 5 November 2020. It defines the Government's commitments and plans to meet the HCFCs phase-out obligations, assumed as a Party to the MP under Decision XIX/6 of the

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

19th Meeting of the Parties, accelerating the phase-out of HCFCs in both Article 5 and non-Article 5 countries.

9. The Stage I of the HCFCs phase-out management plan (HPMP) for the Republic of Moldova for the period 2011 to 2015, was approved at the 63rd ExCom meeting in December 2010. The baseline levels were established as 1.0 ODP tonne, being calculated using actual consumption of 1.16 ODP tonnes in 2009 and 0.71 ODP tonnes in 2010.

10. The first control step was the freeze on production and consumption of HCFCs at the baseline levels by 1st January 2013, and the second control step was the reduction by 10% from the baseline level in 2015.

11. At its 77th meeting, the ExCom approved the HPMP Stage II of the HCFCs Phase-Out Management Plan for the Republic of Moldova for the period 2016 to 2020 to reduce HCFCs consumption by 35% of the baseline. It was decided also to deduct 0.25 ODP tonnes of HCFCs from the remaining HCFCs consumption eligible for funding. The total quantity of Annex C Group I substances imported since 2009 are given below in the Table 1-1.

Table 1-1: Article 7 data reported to the Ozone Secretariat, Annex C, Group 1 (HCFCs)

ODS	Baseline	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HCFC-22, ODP* tonnes	1.00	1.16	0.71	1.31	1.88	0.99	0.76	0.82	-	-	0.31	0.53	0.56

Notes: * - ODP - Ozone Depletion Potential (in the case of HCFC-22, the ODP is equal to 0.055).

12. With reference to the historical consumption of HCFCs, the noted significant decrease in imports in 2010 was based on general economic slowdown, as reported to the Ozone Secretariat during discussions on revisions to the baseline. The data presented in the table are only for HCFC-22 and are based on import authorizations issued, cross referenced with import data provided by Customs Service and importers. In 2016 and 2017 years, the import authorizations were not issued due a lack of fully functioning mechanism for distribution of the import quotas.

13. Through the efforts of the national Montreal Protocol Unit (MPU) of the Public Institution "Environmental Projects Implementation Unit" (P.I. "EPIU"), the Ministry of Environment (MoEN) of the Republic of Moldova, has made headway by putting in place legislative measures to control the import of ODS, including HCFCs and equipment that contain them. The Regulation on trade regime & regulating the use of halogenated hydrocarbons that are depleting the ozone layer, approved through the Law No. 852 dated 14.02.2002, is in place and is the fundamental legislative document concerning implementation of the Montreal Protocol in the Republic of Moldova.

14. The licensing system has been updated by Law No. 228 dated 10.10.2013, respectively by GD No. 589 dated 21.06.2018 on "Regulation on establishing the mechanism for distributing the annual quota for the import of hydrochlorofluorocarbons", which lays down the annual import quota allocation for HCFCs, thus the HCFCs (import, export & consumption) is strictly controlled by the national legislation.

15. Following this, any import of ODS and ODS containing equipment/products requires a license/authorization (only HCFCs indicated in Annex C group I, as well as alternative refrigerants are permitted for import and consumption in the Republic of Moldova).

16. Since 2013, each and every import of HCFCs, is permitted on a basis of the obligatory Authorization that was issued annually by the Ministry of Environment by end of January. Since 2018 the Authorizations are issued by the Environment Agency.

17. Respective Authorizations for import, export and re-export of HCFCs are issued by the designated authority, to economical agents, in 10 working days from the date of submission of the application, within the limits of approved contingent (annual quota), in accordance with the National Programme for Phase-Out of the HCFCs for 2016-2040 periods and the Action Plans for its implementation.

18. Custom Service of the Republic of Moldova is responsible for monitoring and control at the borders and carry out identification and inspection of ODS and products which contain ODS and reports this information to the national MPU of the PI "EPIU" on a quarterly basis. Customs codes have been adjusted by Law No. 172 dated 25.07.2014 on the approval of the Combined

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Nomenclature of Goods, respectively by Law No. 275 dated 29.11.2018 on amendment of Law No. 172/2014, to facilitate monitoring of ODS and/or of the equipment with ODS.

19. According to the Law No. 228 dated 10.10.2013, all economical agents and companies that produce, import, export, re-export, transit or sell the ODSs or equipment with such substances (only equipment that contain more than 3 kg of these substances), presents annually until 15 February, to the Inspectorate for Environmental Protection (IEP), the so called “Statistical Report 1-Ozone” for the previous calendar year. The IEP may provide also on request relevant information retrieved during ecological inspections.

20. According to Law No. 852/2002, the import, export, re-export, introduction into market and transit of equipment, components and technologies that contain substances mentioned in Annex A, Group I, II, Annex B, Group I, Annex C, Group II are all banned. As a result of this, imports of HCFCs alternatives and equipment with such substances annually are seen as increasing. The national ODS licensing system for importers and users of HCFCs chemicals, HCFCs based equipment and HCFCs-dependent products was established and has been functional in the country. Customs duties and quotas for ODS were established and the regime of taxation within the system of customs control was implemented. Similarly, a national certification system for refrigeration technicians, building on EU experience, is now in effect.

21. During the HPMP Stage II, the ODS Regulation was updated by Law No. 185 dated 21.09.2017. According to the amendment import of the following goods is banned: (a) motor vehicles of any types, as well as aircraft equipped with facilities of air conditioning systems, new or used, which works with the use of chemicals listed in Annex A, the Groups I and II in Annex B, Group I, Annex C, Groups I, II and III; (b) equipment and components thereof (refrigerators, freezers, ice generators, cooling systems, air conditioners, heat pumps, etc.), as well as technologies for the production of household refrigerating installations, commercial and industrial, new or used, other than for personal use that do not contain chemical substances referred to in Annex A, the Groups I, and II in Annex B, Group I, Annex C, Groups I, II and III, but whose construction does not allow them to operate continuously without these substances; and (c) aerosols containing chemicals listed in Annex A, Group I and in Annex C, Group I, II and III.

22. The ODS Regulation was updated once more time by Law No. 159 dated 20.07.2020. The law is banning the imports of: (a) equipment and their components (refrigerators, freezers, ice generators, refrigeration systems, air conditioners, heat pumps, etc.), as well as technologies for the production of new or used household, commercial and industrial refrigeration systems, other than for personal use, containing substances listed in Annex A, Groups I and II, Annex B, Group I, Annex C, Groups I, II and III, or operating with their use or of products containing those substances or products which are obtained with the aid of these substances, whether or not the products contain such substances; respectively (b) the chemicals listed in Annex A Groups I and II, in Annex B Groups I, II and III, in Annex C Groups II and IIII, regardless of their origin, except as provided in the Montreal Protocol.

23. The Republic of Moldova is in compliance with the HCFCs reduction targets under the Montreal Protocol and does not exceed the maximum allowable consumption as per the agreement with the Executive Committee.

24. The present HCFCs Phase-Out Management Plan – Stage III (HPMP-III) encompasses the current HCFCs consumption situation in the Republic of Moldova and the strategy, actions and support needed to compliance with the complete phase-out target by 2030, allowing for the 2.5% servicing tail during the period 2030-2040.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

II. STRATEGY

25. The HPMP Stage III programme is based on a thorough survey of installed quantities and annual consumption of HCFCs in the Republic of Moldova. HCFCs are mainly used in the refrigeration and air-conditioning assembly, installation and service sector. Republic of Moldova has a highly developed refrigeration and air-conditioning service sector and whilst there have been some moves towards non HCFC based equipment the service demand for HCFC-22 remains considerable.

26. Annual HCFC-22 consumption 2015-2020 in MT/ODP tonnes (CP data) in the Republic of Moldova and import data is presented in the Table 2-1.

Table 2-1: The annual HCFC-22 import and consumption data in the Republic of Moldova within 2015-2020 period, in metric tonnes/ODP tonnes (CP data)

2015		2016		2017		2018		2019		2020	
Servicing	Import	Servicing	Import	Servicing	Import	Servicing	Import	Servicing	Import	Servicing	Import
24.8/1.36	14.9/0.82	3.5/0.19	0.00	0.5/0.03	0.00	5.6/0.31	5.6/0.31	9.7/0.53	9.7/0.53	10.1/0.56	10.1/0.56

Source: CP Data Reports to the Fund Secretariat.

27. In 2016 and 2017 years the import authorizations were not issued to the importer companies following the reason that an adequate mechanism for distribution of the import quotas was absent. Due to the fact that the "Regulation on establishing the mechanism for distributing the annual quota for the import of hydrochlorofluorocarbons" was approved through the Governmental Decision No. 589 as of 21.06.2018 only in the second half of the year, the importer companies have had less time available for reclaiming the offered quotas for 2018 year, the imported amount being less than the issued quotas for respective year (within the 2018-2020 period the import Authorizations have been issued to 5 importers: in 2018-2020, HCFC import quota of 11.00 MT HCFC-22 was allocated and import authorizations were issued for 10.980 MT in 2018, 10.996 MT in 2019 and 10.995 MT in 2020).

28. HCFCs are sold by the importer companies to assembling companies or users directly or indirectly through secondary distributors or retailers. HCFCs are also supplied through service establishments and contractors. In addition, HFCs blends such as R-32, R-134A, R404A, R407C, R407F, R410A, R422D and R507A, are all used in the refrigeration and air-conditioning sector. It must also be noted that the Republic of Moldova is importing and consuming in the most recent years increasing quantities of ODS alternatives, such as R-717, R-744, R-600A, R-290 and HFO-1234yf.

29. HPMP Stage III programme will assist the Government of the Republic of Moldova to achieve the complete HCFCs phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040, and is intended to serve as a direct implementation instrument of the country's policy and commitment to meet its obligations under the MP. It will continue strengthening achievements under the HCFCs phase-out process, focusing on by preserving the infrastructure, logistics and distribution-channels with enterprises, service companies and technicians involved in the CFC technology.

30. Over the years and out of necessity, refrigeration technicians and companies in the field have extended the range of their activities to HCFCs and HFCs refrigerants. Basically, in relation to CFCs, the ways to reduce emissions of HCFCs and HFCs are the same, including sound system design, improved commissioning and maintenance practices, leak detection, monitoring and recovery, and functional recovery recycling and reclaiming (RRR) process.

31. As alternatives to HCFCs in the RAC sector, the following groups of refrigerants exist: HFCs, hydrocarbons, ammonia and carbon dioxide. With increasing focus on climate change, low-Global Warming Potential (low-GWP) refrigerants should be the preferred choice whenever possible; however, this will require extensive education of the industrial and commercial sectors, as well as an adaptation of the legal and regulatory framework. The low-GWP alternatives are all associated with safety, toxicity and/or technical challenges that must be overcome for a wide introduction on the market.

32. According to the HCFCs Phase-Out Management Plan schedule for the Stage III the R-22 will be phase-out and high-GWP refrigerants will be gradually replaced by new generation low-

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

GWP HFC-refrigerants and natural refrigerants (blends of hydrocarbons, ammonia blends - with hydrocarbons, oils, etc., and carbon dioxide). In multi-temperature cycles in the production sector, blends of natural refrigerants will be used by the National RAC Association. In general, the strategy of substitution of R-22 to other refrigerants after 2021 may follow, in the Republic of Moldova, the trend represented below.

Table 2-2: Forecast for refrigerant use in post-2020 perspectives

Sectors and sub-sectors	Stages		
	Stage I	Stage II	Stage III
Industrial Refrigeration	R-22, R-717, R-404A	R-22, R-717, R-134A, R-407C, R-507A, R-404A, R-422D	R-22, R-404A, R-507A, R-717, R-744, HFO-1234yf
Commercial Refrigeration	R-22, R-404A, R-407A, R-407B, R-507A	R-22, R-134A, R-404A, R-407C, R-422D, R-410A, R-507A	R-22, R-744, HC-290, HC-1270
Stationary Air-Conditioning	R-22, R-407C, R-410A	R-410A, R-32	R410A, R-32, HC-290, HFO-1234ze
Mobile Air-Conditioning	R-134A	R-134A, HFO-1234yf	HFO-1234yf
Domestic Refrigerators and Freezers	R-134A	R-134A, HC-600A	HC-600A, HC-290
Transport Refrigeration	R-22, R-23, R-134A, R-404A, R-717	R-22, R-134A, R-404A, R-407C, R-410A, R-507A, R-717	R-22, R-744, R-717, R-452A, R-513A, HC-290
Fire Protection	HCFC-123, HCFC-124, HFC-23	HFC-23, HFC-125, HFC-227ea, HFC-236fa	FK-5-1-12, IG01 (Argon), G55 (Argon/Nitrogen), IG541 (Argon/Nitrogen/CO_2)
Foams	HCFC-141b, HCFC-142b, HCFC-22, HFC-134A	R-134A, HFC-152A HFC-245fa, HFC-365mfc, HFC-227ea, Pentanes (HC)	HFC-152A, HFO-1234yf, HC-600A, R-744, Pentanes (HC), HFO-1233zd(E), HFO-1336mzz(Z)
Aerosols	HFC-134A	HFC-134A, HFC-152A, HFC-227ea	HFO-1234ze, Isobutane, N-butane, Propane, DME

33. The following legislative actions will support the HCFCs phase-out schedule:

- Annual quota for quantitative restrictions for HCFCs imports, introduced starting from 01.01.2013, is approved and distributed to main importers every year in order to achieve 67.5% reduction of HCFC by 2025 and 100% HCFCs phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040; on 28.01.2021, the import Authorizations for 9.895 MT were issued for current year to 4 importers;
- The National HCFCs Phase-Out Programme for 2016-2040 and the Action Plans for its implementation, approved by GD No. 856 as of 13 July 2016, revised through the GD No. 801 as of 5 November 2020, includes the following schedule for phase-out of HCFCs in the Republic of Moldova (see in Table 2-3).

Table 2-3: HCFCs phase-out schedule in the Republic of Moldova

Reduction steps	MP requirement	Allowable consumption, metric tonnes	Allowable consumption, ODP tonnes	Schedule Timeframe
Baseline	**Re-evaluated**	**17.0**	**1.00**	**2009-2010**
Freeze	Equal to baseline	17.0	1.00	2013
Step 1	10% reduction	15.3	0.90	2015
Step 2	35% reduction	11.0	0.65	2020
Step 3	67.5% reduction	5.5	0.30	2025
Step 4	**Total phase-out***	**0***	**0***	**2030**

Note: * allowing the 2.5% servicing tail during 2030-2040

34. HPMP Stage III programme was designed in consultations with national stakeholders, reflects national needs to implement the next HCFCs reduction step, and includes both non-investment and investment components, which are formulated into two separate projects, implemented by UNDP as lead implementing agency, and UNEP as the cooperating implementing agency.

35. Non-investment component (**UNEP components**) includes:

- Legal and regulatory measures consisting of:
  - Harmonization of the national legislation with EU legislation, including the EC Regulation 1005/2009 on substances that deplete the ozone layer, EU Regulation

517/2014 on fluorinated greenhouse gases and EU Regulation 2015/2067 on minimum requirements and the conditions for mutual recognition for the certification of natural persons; implementation of the Regulation on establishing the mechanism for distributing the annual quota for the import of HCFCs (allocation of the annual quota to importers);
    - Conduct a feasibility study on economic instruments with the purpose to evaluate the benefits and disadvantages related to the introduction of various economic instruments, including environmental taxes for the import of refrigerants (i.e., HCFCs & HFCs) feeding into the environmental fund, to subsidize alternative technologies, heat pump solutions, disposal of end-of-life equipment, as well as options for disposal of waste and contaminated refrigerants including collection, storage, shipment for destruction, etc. The results of the study will be discussed with relevant stakeholders;
    - Launching and maintaining the web-based electronic reporting and licensing system, including organization of series of training sessions for companies and end-users on using the web-based electronic reporting system.
- Technical capacity development measures consisting of:
    - Conduct a feasibility study on the benefits of improved cooling efficiency and sustainability to ensure proper operating conditions and to reduce leakage rates and energy use. The results of the study will be discussed with relevant stakeholders;
    - Establish cooperation with the State Hydrometeorological Service with the purpose of introduction the satellite observations of the stratospheric ozone and producing the UV radiation index, to be included into the daily weather forecasts.
- Capacity building for refrigeration technicians and environmental inspectors consisting of:
    - Upgrade the skills of one national expert trainer, through specialized training on the safe use of alternative technologies;
    - Updated training curricula and print training material for RAC technicians and environment inspectors to sustain the training efforts and improve knowledge base on natural refrigerants (HCs, ammonia, CO_2) at vocational schools and training centers;
    - Organize eight training workshops for RAC technicians (15 participants each), including Categories I-IV Certification;
    - Organize four training workshops for Environmental Inspectors (20 participants each).
- Strengthening the Public Association of the RAC Technicians consisting of:
    - Develop and publish information materials to raise technology awareness to be disseminated by the Public Association of the Refrigeration Technicians during the awareness raising events like the technology roundtables / exhibition booths;
    - Organize four technology roundtables/exhibition booths on alternatives technologies (technology awareness and information campaigns) with support of Public Association of the Refrigeration Technicians, and in cooperation with relevant stakeholders.
- Capacity building for customs and enforcement officers consisting of:
    - Update the curriculum and produce training materials (electronic and hard copies) for enforcement officers;
    - Organize four training workshops for Customs and Enforcement Officers (20 participants each);
    - Produce the third edition of the “Handbook for Customs and Enforcement Officers”.
- Project coordination, management & monitoring.

36. Investment component (**UNDP components**) includes:

- Strengthening of the HCFCs RRR system and application of good refrigeration practices and procedures in the RAC services sector:
    - Develop Guidelines for the RRR scheme, for procedures and steps for equipment registration and leak checks for service technicians and equipment

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

owners/operators, as well as for an incentive system on low global warming potential technologies;
    - Application of good refrigeration practices and procedures in the RAC services sector, including: conducting eight training workshops for service technicians/equipment owners/operators/ importers (at least 20 participants each), to introduce the Guidelines for the RRR scheme, the safe use of low-GWP refrigerants, the good practices in refrigerant management and the safe use of flammable refrigerants and to raise awareness on the incentive system on replacement of HCFCs and HFCs old equipment with low GWP technologies; designing and printing of materials on good environmental practices for all relevant refrigerant users in the country and distribution of kits for handling hydrocarbon refrigerants.
- Technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection:
    - Recruitment of National Consultant with the purpose of providing technical and consultative expertise, supporting the UNDP in the development of technical specifications for RRR equipment and tools with spare kits and the Request for Quotation (RfQ) for purchasing and supply of required equipment and tools under the programmes;
    - Strengthening of formal technical education institutes and centres: purchase three tool kits and basic equipment for the laboratories of the technical education centres (inclusive: RAC teaching modules, recovery units, recycling units, vacuum pumps, scales, cylinders, manifolds, refrigerant identifiers, piercing valves, hoses for different refrigerants, kit for HCs); inclusion in the academic curriculum of the technical education centres the additional material on low-GWP alternatives for the RAC technician training;
    - Supply of the RRR equipment with tools and spare kits (including: recycling units, recovery units and vacuum pumps, cylinders, scale, manifolds, refrigerant identifiers) to the Reclaim Centre to be created in partnership with a prominent RAC servicing company;
    - Supply 15 kits for handling hydrocarbon refrigerants to RAC servicing sector, including: charging station/vacuum pump, welding kit, hoses kit, leak detector, manometer and precision balance for HC;
    - Supply basic 36 sets of electronic leak detectors (including, CFCs, HCFCs, HFCs, ammonia, methane and propane leak detectors) to the Inspectorate for Environment Protection Territorial Agencies and Inspections.
- Develop and implement a new technologies demonstration programme on natural refrigerants in commercial and cold stories sectors via local assembly:
    - Recruitment of National Consultant(s) with the purpose of undertaking a study that would identify the number of interested/eligible companies willing to participate in an incentive programme for scaling up the low-GWP refrigerants technologies in super market and cold storage sectors; based on results of the study, develop and implement an awareness programme for promoting the phase-out of HCFCs and scaling up the low-GWP refrigerants technologies in respective sectors providing technical and consultative expertise related to the development and implementing the new technologies demonstration programme on natural refrigerants (supporting the technical specifications for ODS alternative technologies on natural refrigerants demo projects and formulating the Request for Quotation (RfQ) for launching the process of selection ODS alternative technologies (natural refrigerants) demo projects, evaluation of offers in accordance with RfQ as a member of the Evaluation Committee, technical assistance to end-users and supervision of works on demonstration equipment installation and commissioning) and the incentive programme for scaling up the low-GWP refrigerants technologies in super market and cold storage sectors;
    - Promote the phase-out of HCFCs and scaling up the low-GWP refrigerant technologies (hydrocarbons, CO_2 and other low-GWP refrigerants as alternatives to HCFCs) through public awareness activities: organize meetings for enterprises in the relevant sectors (supermarkets and cold storage sectors) and twelve

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

awareness raising workshops on the incentive programme for scaling up the low-GWP refrigerants technologies in relevant sectors, including end-users, suppliers and importers of equipment, refrigerants technicians and decision makers from respective sectors and production of technical brochures on alternative refrigerants;

- Implement a new technologies demonstration programme on natural refrigerants: import of components and assembly at least four installations on hydrocarbons, CO_2 and other low-GWP refrigerants (required components, remote operation control, recording of operational parameters);
- Organize the terminal workshop to present and disseminate the achieved results of the HPMP Stage-III programme.

37. Integration of consideration of broader global environmental issues, such as climate change, is a part of this strategy framework. Consistent with the direction provided in Decision XIX/6 and subsequent ExCom guidance this particularly relates to climate change, the description of the action plan above notes where these linkages exist. Existing strategy (partially implemented during HPMP-Stage II) will be implemented and during HPMP-Stage III.

38. In order to reduce the failure rates and energy consumption as well as to gradually harmonize the national legislation with the EC Regulation 1005/2009 on substances that deplete the ozone layer, EU Regulation 517/2014 on fluorinated greenhouse gases and EU Regulation 2015/2067 on minimum requirements and the conditions for mutual recognition for the certification of natural persons, it is of interest to bring the national RAC industry to the EU level standards. There is a need to ensure that the phase-out of HCFCs is taken as an opportunity to introduce environmentally friendly, energy-efficient solutions. The presence of natural refrigerants such as hydrocarbons, ammonia and CO_2 in the RAC sector is at a low level, while possibilities for their implementation are significant.

39. Despite often somewhat higher initial and maintenance costs, the main obstacles are a limited number of qualified and competent service staff and companies and, the lack of awareness among end-users. However, implementation of the Regulation on training and certification of specialists in the field of refrigeration technology containing HCFCs and fluorinated gases with the greenhouse effect, adopted through the Governmental Decision No. 483 as of the 18 October 2019 (harmonized with EU Regulations) is expected to facilitate timely introduction of ozone-friendly and energy efficient technologies. The following summarizes a number of specific aspects that would be incorporated into the implementation of the HPMP – Stage III and which link to climate change:

- Involvement of authorities responsible for climate change and energy efficiency policies (specifically, Public Institution “Environmental Projects Implementation Unit” and Agency for Energy Efficiency of the Ministry of Infrastructure and Regional Development) as key institutional stakeholders;
- Adoption of EU technical standards for RAC sector;
- Introduction of refrigerant management regulations that in future would extend to HFCs.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

III. RESULTS AND PARTNERSHIPS

Expected Results

40. HPMP Stage III programme aims at achieving the planned HCFCs complete phase-out target (100% phase-out by 2030, allowing the 2.5% servicing tail during 2030-2040), is intended to serve as a direct implementation instrument of the country's policy and commitment to meet its obligations under the Montreal Protocol.

41. The projects results are directly linked to the National Programme for Phase-Out of the Hydrochlorofluorocarbons (HCFCs) for 2016-2040 and Action Plans for its implementation, approved by GD No. 856 as of 13 July 2016 and revised through the GD No. 801 as of 5 November 2020.

42. The project activities will be implemented addressing sectors involved in the importation and servicing of RAC equipment. These are proposed to be done through several interventions that include modern tools and equipment support to allow for HCFC re-use and preventive maintenance of RAC equipment as well as training support. Partnerships would be established with private sector enterprises engaged in selling this equipment for smooth and effective technology transfer.

43. The project results will be periodically reported to the ExCom as a requirement. Concerning knowledge products, training manuals will be produced and distributed to industrial and commercial refrigeration sectors during workshops.

44. It is worth to highlight that the Project will be regularly updating the database of import/export and in country consumption of HCFCs and their alternatives which is co-owned by the MoEN and national Montreal Protocol Unit of the Public Institution "Environmental Projects Implementation Unit".

45. The information is cross checked with data sources from the Customs Service of the Republic of Moldova, Environmental Agency, Inspectorate for Environmental Protection, and data directly collected from RAC enterprises/industries/end-users. The information from the database is also reported to the Multilateral Fund Secretariat.

I. Strengthening of the HCFCs recovery, recycling, reclamation (RRR) system and application of good refrigeration practices and procedures in the RAC services sector

46. In the Republic of Moldova there are many small-size companies and service workshops offering installation and maintenance services including recovery, recycling and reclamation of refrigerants. Some of them are not registered in a proper manner and therefore it is difficult to estimate a precise total number of RAC servicing companies in the country.

47. During the HPMP Stage III, and in terms of expansion of formalization process, it will be necessary to approach them with specialized surveys on their awareness on good practices in refrigeration (Recover, Recycle and Reuse (RRR) Scheme); on HPMP activities on building technical capacities; on needs of maintenance service technicians for large end users, such as commercial and industrial refrigeration and chillers; on needs for keeping mandatory logbooks for users of the HCFCs equipment containing more than 3 kg of charge (6 kg hermetically sealed), as being introduced since 2013; on leak checks and end-user programmes; on needs for purchasing new sets of recovery and recycling equipment (i.e., electronic leak detectors, manifolds, standard and high pressure hoses, refrigerant recovery units, vacuum pumps, portable refrigerant identifiers) for RAC technicians and service companies, etc.

48. Recovery and recycling requirements for all ODSs, during the service activities, were introduced by the legislation and are under enforcement, emissions prevention measures are required and stipulated as mandatory by the legal provisions that are currently in place.

49. At this stage, it will be necessary to develop a Guideline, with predefined and thoroughly described procedures and steps for the RRR scheme. Six workshops will be conducted to introduce this Guideline, and all certified service companies will be obliged to report to the MoEN on the subject of recovered and recycled amounts of refrigerants on yearly bases.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

50. The assessment studies to be undertaken under HPMP-III will monitor the supply and demand for HCFCs and ODS alternatives. Following the obtained result, it will be necessary to design and introduce a market-driven HCFCs recovery and recycling scheme, to some extent similar to those used during the CFCs phase-out and HPMP Stages I and II. The capacities built previously for recovery and recycling of the CFCs and HCFCs will be enhanced, following the lessons learnt from such exercises in the Republic of Moldova and neighbouring countries. The studies will identify opportunities to transfer these capacities to the private sector, as the supply of HCFCs is gradually reduced.

51. Under this activity, there will be trainings planned and delivered for the RAC technicians and servicing companies who are interested in business opportunities and responsibilities in the area of recovery, recycling and reclamation of HCFCs. Due to the fact that the availability of HCFCs for service of existing facilities is gradually reducing, as HCFC phase out activities continue, the equipment owners/operators should ensure HCFC based equipment is checked for leaks, converted or replaced in an appropriate timescale. Emission limitation profoundly affects each servicing step, such as charging or recovery, in which the refrigerant is handled, as well as all procedures performed on systems or parts of systems that contain refrigerants. The HCFC release limitation also requires the use of simple documentation to trace refrigerant movement; definition of refrigerant-saving operation and maintenance procedures as a good service practice; and training of technicians in refrigerant leak-tightness control and recovery. For these activities, there is a need to develop detailed Guidelines, with predefined and described procedures and steps for equipment registration: Inventory Lists and/or Logbooks and Leak Checks Lists for service technicians and equipment owners/operators.

52. Under this activity, it is planned also the application of good refrigeration practices and procedures in the RAC services sector, including: training update for RAC technicians on good servicing practices and alternative refrigerants; distribution of kits for handling hydrocarbon (HC) refrigerants (to be supplied from UNEP non-investment Activity 2: Technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection); development of a unique registry of RAC workshops and RAC technicians in the country; establishment of voluntary agreements with RAC end-users for the environmentally sound use of refrigerants; design and printing of materials on good environmental practices for all refrigerant users in the country, etc.

53. As stated above, under this component, eight training workshops will be conducted for service technicians/equipment owners/operators/importers, to introduce the Guidelines for the RRR scheme, the safe use of low-GWP refrigerants, the good practices in refrigerant management and the safe use of flammable refrigerants and to raise awareness on the incentive system on replacement of HCFCs and HFCs old equipment with low GWP technologies.

54. Synergy between service technicians and equipment operators could be made through these workshops. RRR and leak check activities would influence the reduction of the import needs (consumption) for HCFCs, and monitoring process is needed. It would include assistance to the Inspectorate for Environment Protection in controlling the systems, site visits and field data collection, update the system according to the needs, etc.

II. Technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection

55. This investment component addresses the physical capacity requirements associated with the urgent need to upgrade the country's refrigeration servicing capability. Respective component is a continuation of the initial assistance launched during HPMP Stage II and will ensure that additional refrigerant RRR equipment and tools are supplied to relevant formal technical education institutes and centres, public institution of the Republic of Moldova and RAC servicing centres.

56. It is envisaged the further strengthening of formal technical education institutes and centres (the Centre for Continuing Education (CCE) of the TUM, the Public Institution "Centre of Excellence in Energy and Electronics" and the Technological College in Chisinau) through purchasing three tool kits and basic equipment for the laboratories (including: RAC teaching modules, recovery units, recycling units, vacuum pumps, scales, cylinders, manifolds,

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

refrigerant identifiers, piercing valves, hoses for different refrigerants, kits for low-GWP alternatives), as well as inclusion in the academic curriculum of the technical education centres of the additional material on low-GWP alternatives for the RAC technician training.

57. With the help of measures undertaken under respective component there is the intention to equip the Inspectorate for Environment Protection Territorial Agencies and Inspections with the basic leak detectors to ensure the enforcement of new legislation. This activity will cover 4 agencies: Chisinau, Balti, Cahul and ATU Gagauzia and 31 inspections: Anenii-Noi, Basarabeasca, Briceni, Cantemir, Cimislia, Criuleni, Calarasi, Causeni, Donduseni, Drochia, Dubasari, Edinet, Falesti, Floresti, Glodeni, Hincesti, Ialoveni, Leova, Nisporeni, Ocnita, Orhei, Rezina, Riscani, Singerei, Soroca, Straseni, Soldanesti, Stefan Voda, Taraclia, Telenesti, Ungheni. It is to be noted that under the Activity 3 “Capacity building for refrigeration technicians and environmental inspectors” of UNEP components, there will be organized four training workshops, for 20 participants each time, during which the environmental inspectors will be trained to carry out leak checks for equipment containing refrigerants. Through this supply, it is recognized that a close linkage exists to UNEP supported training.

58. This component would further target additional incremental increase in the coverage of RAC service centres with tools to the extent allowed by the funding available. During the HPMP Stage III, modern HCFCs RRR equipment, tools and spare kits, capable of working also with alternative refrigerants (among them being HFOs, their blends, and natural solutions – hydrocarbons, ammonia, CO_2), will be supplied to a prominent RAC servicing company, to host a Reclaim Centre to be created. Investments in a such Reclaim Centre, equipped with recovery, recycling and reclaim stations, will be particularly useful in the servicing of existing HCFC equipment bank to reduce dependence on imported HCFCs, and also in the replacement of HCFC based equipment to non-HCFCs/low GWP technology, where owners require to do so, based on market preferences, financial viability and new technology availability. Such equipment will contribute thus directly to HCFC consumption reductions as a part of the continuous capacity strengthening in this sector. The component will be monitored by a part-time consultant to make sure all supplied equipment is applied as agreed between the Government and recipients.

III. Develop and implement a new technologies demonstration programme on natural refrigerants in commercial and cold storage sectors via local assembly

59. The main HCFC consuming sector in the Republic of Moldova is commercial, which count around 4,660 refrigeration units on HCFC-22, respectively the cold storage sectors, which count around 1,055 refrigeration units, mainly involved in agri-business such as fruit processing and storage and winemaking companies. Around 435 HCFC-22 based refrigeration units used in cold storage refrigeration, mainly installed before 2015 are outdated and continues to age. This fact represents a great opportunity to introduce and scale-up low GWP technological developments.

60. Directly, at least four project sites (installations) will be targeted and will take into account newer technologies on natural refrigerants, for demonstration of feasibility of its assembly on the local market with imported components. Once installed, the equipment will have remote monitoring sensors/controls linked to it to enable data recording on its cooling capacity performance in various temperature regimes to make summary performance reporting to the national MPU of the P.I. “EPIU” and UNDP for further dissemination to interested stakeholders in the private and public sectors. Overall, it is expected that with the deployment of private, public and bilateral domestic investment funding, from 35 to 50 companies at a minimum (or 10-15% of the total market share) can participate and enjoy the benefits of such investments in the short-run.

61. The implementation of the new technology demonstration programme on low-GWP natural refrigerants in supermarket/commercial and in cold storage/industrial refrigeration sectors is envisaged to help reducing barriers to adopt newer technologies at the national level by better understanding supply markets, operational efficiency, assembly and maintenance costs. This programme on low-GWP natural refrigerants will initially involve the national Montreal Protocol Unit (MPU) of the P.I. “EPIU” and a National Consultant hired by UNDP responsible for supervising and coordinating the implementation of the demonstration programme.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

62. While implementing this component, the end-user network established during HPMP Stages I & II will be utilized, with active involvement of the Public Association of Refrigeration Technicians of the Republic of Moldova. Applications from interested enterprises will be collected using official application forms to be elaborated by the national MPU of the P.I. "EPIU", together with all the necessary supporting documentation. The National Consultant to be recruited by UNDP in consultation with the national MPU of the P.I. "EPIU", will be the responsible for screening and administering applications. If needed, the National Consultant will provide also practical assistance to applicants in preparing applications.

63. Different applications lend themselves to different natural refrigerants. For instance, industrial applications lean toward ammonia, while supermarkets favour HCs and CO_2, though in both sectors end-users are exploring alternatives. Hydrocarbon refrigerants have a wide range of applications. This includes commercial refrigeration, chill cabinets and vending machines, cold storage and food processing, industrial refrigeration, transport refrigeration, small air conditioning systems, large air conditioning and chiller systems, heat pumps and water heaters. As the market in the Republic of Moldova gets more interest in seeing practical performance of newer low GWP technologies, and this also creates the opportunity for technicians and equipment service/assembly centres to acquaint with maintenance of such equipment, during stakeholder consultations when HPMP Stage-III was in preparation, it was agreed that such component is to be included into the programme.

64. During the first tranche of the HPMP Stage-III, an assessment study will be planned to refine the incentive programme for scaling up the low-GWP refrigerants technologies in supermarket / commercial and in cold storage / industrial sector, including the technical details of type of equipment, market demand for such equipment and adoption of low-GWP refrigerants. As a direct result of the study, an awareness programme will be implemented to support scaling up the low-GWP refrigerants technologies in target sectors.

65. Thus, the phase-out of HCFCs and scaling up the low-GWP refrigerant technologies (hydrocarbons, CO_2 and other low-GWP refrigerants as alternatives to HCFCs) will be promoted through public awareness activities, including organization of meetings for enterprises in the relevant sectors (supermarkets and cold storage sector) and nine awareness raising workshops on the incentive programme for scaling up the low-GWP refrigerants technologies in relevant sectors, including end-users, suppliers and importers of equipment, refrigerants technicians and decision makers from respective sectors and production of technical brochures on alternative refrigerants. Respective activities will be linked with HPMP Stage-III non-investment relevant activities, such as trainings, capacity-building and technical assistance for adoption of the proposed low-GWP natural refrigerants technologies in a cost-effective manner. It is expected that the enhanced capacity building will result in higher levels of confidence among the stakeholders regarding the adoption of low-GWP alternative technologies.

66. The grants will be offered to the participants with the condition of co-financing the HCFCs equipment replacement processes. Co-financing by the beneficiaries under the incentive programme will vary expectedly between 40 per cent and 60 per cent. The co-financing levels will demonstrate the commitment of the beneficiaries to adopting the intended alternative technologies under the programme. The HCFCs recovered from the old equipment would be recycled/reclaimed at the recycling/reclaim centre to be established, which will further reduce dependence on import of HCFCs.

67. A terminal workshop to be organized in the final stage of the HPMP Stage III, to present and disseminate the achieved results of the HPMP Stage-III programme.

Resources Required to Achieve the Expected Results

68. The project was approved by the Executive Committee of the MLF at its 88th meeting, which took place on 15-19 November 2021. The total funds proposed for approval is US$ 341,150 (1st tranche US$ 75,500, covering the period 2021-2023; 2nd tranche US$ 145,500, covering the period 2024-2026, 3rd tranche US$ 92,500, covering the period 2027-2029 and 4th tranche US$ 28,000, covering the period 2030-2031), to be used for the identified project components for phasing-out HCFCs.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

69. The successful implementation of the plan will result in complete phase-out of HCFCs consumption by the year 2030, allowing for the 2.5% servicing tail during the period 2030-2040. This phase-out will be addressed through: (i) strengthening of the HCFCs RRR system and application of good refrigeration practices and procedures in the RAC services sector; (ii) technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection; and (iii) develop and implement a new technologies demonstration programme on natural refrigerants in commercial and cold stories sectors via local assembly.

70. The MoEN through its national Montreal Protocol Unit of the Public Institution "Environmental Projects Implementation Unit" will assist the implementation of the programme through regular monitoring, guiding and implementation of project components.

Partnerships and Stakeholder Engagement

71. The HPMP Stage III for the Republic of Moldova will be implemented by the national Montreal Protocol Unit (MPU) of the Public Institution "Environmental Projects Implementation Unit" (P.I. "EPIU") with support from UNDP, as the Lead Implementing Agency and UNEP, as the Cooperating Implementing Agency. National MPU of the P.I. "EPIU" will be the national institution working under the mandate from the MoEN on the Montreal Protocol aspects. Appropriate consultancy support to implement specific HPMP project components will be provided for within the HPMP-III budget.

72. The stakeholder engagement is the foundation for systematic and sustainable HCFC phase-out. The project involves strong coordination needs among different stakeholders to achieve national targets of the Republic of Moldova. The project is expected to be implemented with minimum disruption to business continuity and livelihood of different industrial and commercial stakeholders. Through funding support and proper timeframe, systematic project implementation process and technology transfer, the project is expected to achieve complete HCFCs phase-out target (100% phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040), with minimum cost to industrial and commercial refrigeration sectors and consumers. The main stakeholders and their roles are described below.

73. The **Government of the Republic of Moldova** represented by the Ministry of Environment (MoEN) is responsible for the achievement of overall project results. The Government has a binding agreement with the ExCom of the MLF. The Government is also responsible, as a partner to UNDP, for project implementation, monitoring and reporting the results of phasing out of HCFCs. The national Montreal Protocol Unit (MPU) of the Public Institution "Environmental Projects Implementation Unit" (P.I. "EPIU") would work under the direct guidance of the MoEN and UNDP to implement the investment project components.

74. **UNDP** is designated as the Lead Implementing Agency for this project. UNDP will be responsible for providing technical support and managing the implementation of the project. UNDP will also be responsible for the project reporting and independent verification of achievement of ODS phase-out targets under the Agreement once requested by the ExCom.

75. The **Industrial and Commercial Refrigeration Sectors** will be responsible for achieving their respective phase-out targets. Through the funding support and technical support of the project, and under the overall guidance of the national MPU of the P.I. "EPIU", the identified industrial and commercial refrigeration enterprises would convert to HCFCs free technologies. In RAC servicing sector where a large number of small enterprises are involved, the national MPU will work with industry associations and other industry stakeholders in capacity building for smooth adoption of HCFC free technologies.

76. **Industry Associations** will closely work with the national MPU of the P.I. "EPIU" on specific project activities for HCFCs phase-out. They would also play an important role in strengthening public-private partnership which is an important element for success of this project.

77. **Other Governmental and non-governmental bodies.** There are several Government and Non-Government Organizations (NGO) that would need to participate in project implementation under this project, which includes institutions responsible for import-export of chemicals; Customs Service of the Republic of Moldova, collecting, holding and maintaining of database; National Bureau of Statistics; Environmental Agency, the authority responsible for issue of import Authorizations, Inspectorate for Environment Protection, which undertakes

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

the state environmental control in compliance with environmental legislative and regulatory framework in place; MoEN, which is responsible for developing and promoting of state policy for sustainable development of the country's agribusiness sector; Agency for Energy Efficiency, that is a public institution under the Ministry of Infrastructure and regional Development, being an administrative body for energy efficiency and renewable energy resources and is responsible for implementing state policies specifically focused on creating preconditions for improving energy efficiency; Climate Change Unit of the P.I. "EPIU", which is responsible for compiling the National Greenhouse Gas Inventories; including the F-gases (HFCs, PFCs and SF_6) emissions, etc.

78. **Other stakeholders in the project will be environment monitoring bodies (NGOs)**. Public Association of the Refrigeration Technicians from the Republic of Moldova that in collaboration with the Technical Centre for Industrial Security and Certification of the Ministry of Infrastructure and Regional Development and Training Centre "TEHNOFRIG" of the Technical University of Moldova (TUM) is responsible for implementation of the new Certification System.

79. **Media institutions and NGOs** also have an important role in public informing and awareness raising about environmental issues, which they promote through the media products, radio, TV programs, seminars, topical trainings, public debates, flash mobs and environmental campaigns. They will be engaged in specific public awareness activities.

80. **Coordination and consultation.** The above-mentioned stakeholders would be engaged at various points during project initiation, implementation monitoring and other specific project activities. The project intends to maintain the coordination and consultation among stakeholders through the below indicative actions and their frequency spread over the duration of the project:
    a) Consultation meetings with customs authorities: twice per year;
    b) Consultation meetings with ODS Importers: once per year;
    c) Consultation meetings with the industries using ODSs in their production (undergoing reconversion of technology to non-ODS): twice per year;
    d) Regular coordination meeting with the Ministry of Agriculture, Regional Development and Environment and UNDP: twice per year.

Risks and Assumptions

81. As per standard UNDP requirements, the national MPU of the P.I. "EPIU" will monitor risks and report periodically on the status of the risks to the UNDP Country Office.

82. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probablity are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher).

Project risks					
Description	**Type**	**Impact & Probability** 1 (low) to 5 (high)	**Mitigation Measures**	**Owner**	**Status**
The 100% phase-out target by 2030, allowing for the 2.5% servicing tail during the period 2030-2040, will not be achieved.	Political	I = 4 P = 1	The licensing system has been updated by Law No. 228 dated 10.10.2013, respectively by GD No. 589 dated 21.06.2018 on "Regulation on establishing the mechanism for distributing the annual quota for the import of HCFCs", which lays down the annual import quota allocation for HCFCs, thus the HCFCs (import, export & consumption) is strictly controlled by the national legislation.	Project Board	
The R&R equipment provided will not be used in the regular servicing of existing HCFC equipment bank to reduce dependence on imported HCFCs, and also in the conversion of HCFCs based equipment to non-HCFCs technology.	Operational	I = 3 P = 2	The component will be monitored by a part-time consultant to make sure equipment is applied as agreed between the Government and recipients.	Project Team	

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Project risks					
Description	**Type**	**Impact & Probability** 1 (low) to 5 (high)	**Mitigation Measures**	**Owner**	**Status**
Four economic agents, 2 in commercial refrigeration sector and 2 in industrial refrigeration sector, will not be identified to demonstrate the new technology on natural refrigerants	Technology	I = 3 P = 1	A tender will be announced and there will be a grant part for applying for new technology on natural refrigerants (hydrocarbons, CO_2 and other low-GWP refrigerants) making it more attractive for economic agents.	Project Team	
The new technologies on natural refrigerants (hydrocarbons, CO_2 and other low-GWP refrigerants) will not be certified	Technology	I = 3 P = 2	The project team will analyze available technologies and ensure that the selected technologies can be certified prior its purchasing.	Project Team	
The new technologies on natural refrigerants (hydrocarbons, CO_2 and other low-GWP refrigerants) will be poorly or not accepted by the market due to higher investment cost and lack of knowledge.	Technology	I = 4 P = 2	The information on new technologies will be disseminated and appropriate awareness raising efforts will be applied.	Project Team	

South-South and Triangular Cooperation (SSC/TrC)

83. South-South and triangular cooperation (SSC/TrC) are expected to play an important role in this project since the linkage with energy efficiency are common challenges to all developing countries that are Parties to the Montreal Protocol. SSC/TrC best practices will be identified and applied to create a fostered and systematic approach to technical and political peer exchange learning between governments, the private sector, academia and civil society. Knowledge and lessons learned will be proactively identified, analysed and disseminated through existing UNDP and partner networks.

Knowledge and Sustainability and Scaling Up

84. The project would strengthen national systems and capacities in monitoring import and export of ozone depleting chemicals mainly through the database and through working on amending/updating the legislation related to import/export activities. The database can be used by the Government to manage other MP chemicals and other hazardous industrial chemicals.

85. Additionally, good practices, knowledge management and learning will be assessed and codified in order to draw upon the experiences and define the most useful types of knowledge products. It is proposed to use informal mechanism such as blogs, newsletter updates and webinars to share learning, trends and good practices in “real time”.

86. The Project has been designed to be country-driven and country-owned, with technical and institutional capacities developed through a learning-by-doing approach. National Government ownership of project implementation and achieved results is considered instrumental for ensuring that human, technical, and institutional capacities are built and sustained with partnering institutions and other national champions.

87. National capacities will be built via a coherent and strategic implementation of activities which will yield sustainable long-term impact at national, sub-national and sectoral levels, assuring that knowledge and experiences stay in the country.

88. The timely phasing-out of the HCFCs ensures the Republic of Moldova’s compliance with its set targets and thus with the Vienna Convention on Ozone Layer Protection. Furthermore, the technical and financial support provided to the industries to convert their technology/production into non-HCFCs products will expand their international market with a limited impact on production costs and consumers. This would reflect a positive economic return on the industries and on the country.

Mainstreaming Gender

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

89. Gender mainstreaming has been defined by the United Nations Economic and Social Council as ‘a strategy for making women’s as well as men’s concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of the policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated’. The relative status of men and women, the interaction between gender and race, class and ethnicity, and questions of rights, control, ownership, power, and voice—all have a critical impact on the success and sustainability of every development intervention.

90. In practice, gender mainstreaming means identifying gaps in gender equality through the use of sex-disaggregated data, developing strategies to close those gaps, putting resources and expertise into implementing strategies for gender equality, monitoring implementation, and holding individuals and institutions accountable for results.

91. Sound management of chemicals requires a gender-differentiated approach, which is pursued by UNDP during implementation of chemicals-related interventions. The strategy towards reaching this objective has been discussed during the Thematic Meetings on Implementation of the HCFCs Phase-out Management Plans and it was agreed that social and gender dimensions are a critical component of chemicals management policies and frameworks.

92. Although the activities within HPMP Stage III programme consist on transferring new knowledge and servicing tools to the servicing sector (RAC equipment used in multiple economic sectors), the project team will intend to promote the participation of women in consultation and decision-making meetings, and will address gender inequalities in terms of access to green job related trainings planned for institutional and technological support from the to the equipment service centre network and vocational schools. During the implementation of the project gender analysis and statistics will be applied and if necessary the gender empowerment needs will be addressed.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

93. Presently, alternative technologies to high-GWP HFCs that are ozone- and climate-friendly may face market barriers depending on application. These barriers can be technical and commercial such as potentially higher investment costs, lack of standards, lack of service capacity, as well as information asymmetry and lack of an enabling environment. The presence of such barriers prevents the large-scale commercialization of such ozone and climate friendly technologies.

94. Along with policy instruments (annual quota for quantitative restrictions for HCFCs imports) that are gradually limiting use of high-GWP HFCs, the national MPU of the P.I. “EPIU” will play a key role in increasing awareness on benefits of new ozone- and climate-friendly technologies and unlocking procurement of such technologies. The benefits of new technologies will be demonstrated via demo project that will make obvious those technologies are ozone- and climate-friendly and more energy efficient.

Project Management

95. The HPMP Stage III programme for the Republic of Moldova will be implemented by the national Montreal Protocol Unit of the P.I. “EPIU” with support from UNDP, as the Lead Implementing Agency and UNEP, as the Cooperating Implementing Agency.

96. The national MPU of the P.I. “EPIU” will function as the national coordinator of all project activities described in the HPMP Stage-III programme. Appropriate consultancy support to implement specific HPMP project components will be provided for within the HPMP Stage-III budget, as described in relevant sections.

97. It should be noted that the Institutional Strengthening (IS) support is provided outside of the HPMP Stage-III programme.

98. UNDP CO will apply their administrative procedures towards implementation of the HPMP Stage III. UNDP CO will use support to National Implementation Modality (CO support to NIM) based on establishment of Annual Workplans and utilization of UNDP procurement functions for the delivery of equipment and tools planned in the project. Regular monitoring of compliance with the workplans will be ensured by UNDP CO.

99. The Governmental institutions - private sector collaboration will be one of the main approaches for the project to achieve the objective. The private sector will be involved in the project and will cooperate with Governmental institutions in the implementation of the project. The private sector will also support the Government in participating in assessment of the new policy impacts and standards. Hands-on experience from the private sector will be taken up in the national policies to facilitate effective technology transfer and experience exchange, ensuring sustainability of the project.

100. Collaboration between the Governmental institutions and the national RAC association in this case, is also important for the implementation of the project, the national RAC association will supply the technical assistance to the RAC servicing enterprises, as well as to the national MPU of the P.I. “EPIU”.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

V. RESULTS FRAMEWORK[2]

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:

UNDAF OUTCOME #3: The people of Moldova, especially most vulnerable, benefit from enhanced environmental governance, energy security, sustainable management of natural resources, and climate and disaster resilient development

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Percentage decrease in greenhouse gas emissions, by 20 percentage points as compared with 2013 year level.

Applicable Outputs from the UNDP Strategic Plan:

UNDAF/CP OUTPUT 3.1: Enhanced use of renewables and advanced energy efficiency:

- Indicator 3.1.1: Number of public and residential buildings with improved level of energy efficiency and percentage decrease in greenhouse gas emissions.

UNDAF/CP OUTPUT 3.3: National and sub-national governments have improved capacities to integrate resilience to climate change and disasters into development plans and practices to reduce population's vulnerability:

- Indicator 3.3.3: Presence of institutional system to catalyse investments in low carbon and resilient green urban development.

Project Title and Atlas Project Number:

Republic of Moldova's HCFCs Phase-Out Management Plan – Third Stage (100% HCFC Phase-Out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040)

EXPECTED OUTPUTS	OUTPUT INDICATORS[3]	BASELINE	END OF PROJECT TARGETS	ASSUMPTIONS
Output 1: *The enabling environment and capacities are in place for Moldova to fulfil its HCFCs phase-out obligations (100% phase-out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040)*	*1.1 Extend to which the HCFC Recovery, recycling and reclamation (RRR) system is strengthened.*	*HCFCs recovery, recycling and reclaim equipment, is generally outdated.*	*HCFCs RRR system upgraded / strengthened and in use to reduce dependence on import of HCFCs.*	*Government informs the stakeholder community on HCFCs restrictions, HCFCs phase-out strategy and further limits HCFCs and HCFCs equipment imports.* *Government requires regular reporting and perform monitoring of works.*
	1.2 Number of cases where benefits of non-HCFCs technology demonstrated.	*Generally there is a low awareness on the new alternative technologies and benefits in energy savings (co-benefits for economic operations as well as for climate change).*	*Non-ODS/low-zero GWP (NH_3, CO_2, HCs etc.) technologies in the servicing sector demonstrated in at least 4 cases.*	*Supplied equipment is adequately maintained and used by RAC technicians.*
	1.3 Extend to which servicing skills and practices for HCFC-free new alternatives (specifically natural refrigerants) improved	*Limited experience, knowledge and skills to assemble, install, operate and maintain HCFCs free commercial/industrial equipment using non-ODS/low-zero GWP technologies exists in the country.*	*Technical staff trained on adequate use of equipment and best refrigeration practices in equipment/products maintenance and conversion of HCFCs based equipment to non-HCFCs technology.*	*Costs of new equipment does not exceed project budget.* *Project participants maintain their interest in the use of new equipment and co-finance local design, installation and maintenance works.*

[2] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[3] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.	-	0
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	-	0
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Annually	Relevant lessons are captured by the project team and used to inform management decisions.	-	0
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	-	0
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	-	0
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		-	0
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	-	0

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

VII. MULTI-YEAR WORK PLAN [45]

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Tranche I			Tranche II				Tranche III				Tranche IV		TOTAL	RESPONSIBLE PARTY	PLANNED BUDGET		
		2022	2023	Total	2024	2025	2026	Total	2027	2028	2029	Total	2030	Total			Funding Source	ATLAS Code	ATLAS Budget Description
Output 1: The enabling environment and capacities are in place for Moldova to fulfil its complete HCFCs phase-out obligations (100% HCFC Phase-Out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040)	**Activity 1:** Strengthening of the HCFCs recovery, recycling, reclamation (RRR) system and application of good refrigeration practices and procedures in the RAC	4,325	4,810	**9,135**	925	0	925	**1,850**	925	0	925	**1,850**	1,850	**1,850**	**14,685**	MPU of the P.I. "EPIU"/ MoARDE	63080	71300	Local consultants
		1,500	1,500	**3,000**	1,500	0	1,500	**3,000**	1,500	0	1,500	**3,000**	3,000	**3,000**	**12,000**			75700	Trainings, Workshops and Conferences
		123	133	**256**	53	0	53	**105**	53	0	53	**105**	106	**106**	**571**			64300	Staff Management costs
		53	57	**110**	23	0	23	**45**	23	0	23	**45**	45	**45**	**244**			74500	Miscellaneous Expenses
	Sub-Total for Activity 1	**6,000**	**6,500**	**12,500**	**2,500**	**0**	**2,500**	**5,000**	**2,500**	**0**	**2,500**	**5,000**	**5,000**	**5,000**	**27,500**				
	Activity 2: Technology support to RAC sector, formal technical education institutes and centres and Inspectorate for Environment Protection	1,777	0	**1,777**	1,820	0	0	**1,820**	1,600	0	0	**1,600**	0	**0**	**5,197**	MPU of the P.I. "EPIU"/ MoARDE	63080	71300	Local consultants
		39,000	0	**39,000**	37,500	0	0	**37,500**	45,000	0	0	**45,000**	0	**0**	**121,500**			72200	Equipment and furniture
		856	0	**856**	826	0	0	**826**	980	0	0	**980**	0	0	**2,662**			64300	Staff Management costs
		367	0	**367**	354	0	0	**354**	420	0	0	**420**	0	0	**1,141**			74500	Miscellaneous Expenses
	Sub-Total for Activity 2	**42,000**	**0**	**42,000**	**40,500**	**0**	**0**	**40,500**	**48,000**	**0**	**0**	**48,000**	**0**	**0**	**130,500**				
	Activity 3: Develop and implement a new technologies demonstration programme on natural refrigerants in industrial and commercial refrigeration sectors via local assembly	7,723	8,165	**15,888**	3,015	3,160	1,413	**7,588**	2,553	1,126	1,170	**4,849**	4,330	**4,330**	**32,655**	MPU of the P.I. "EPIU"/ MoARDE	63080	71300	Local consultants
		0	0	**0**	45,000	40,000	0	**85,000**	26,000	0	0	**26,000**	14,000	**14,000**	**125,000**			72200	Equipment and furniture
		1,500	3,000	**4,500**	1,500	1,500	1,500	**4,500**	3,000	3,000	1,500	**7,500**	4,000	**4,000**	**20,500**			75700	Trainings, Workshops and Conferences
		194	235	**428**	1,040	938	61	**2,038**	663	87	56	**806**	469	469	**3,742**			64300	Staff Management costs
		83	101	**184**	446	402	26	**874**	284	37	24	**345**	201	201	**1,603**			74500	Miscellaneous Expenses
	Sub-Total for Activity 3	**9,500**	**11,500**	**21,000**	**51,000**	**46,000**	**3,000**	**100,000**	**32,500**	**4,250**	**2,750**	**39,500**	**23,000**	**23,000**	**183,500**				
	TOTAL DIRECT MLF COST	**57,500**	**18,000**	**75,500**	**94,000**	**46,000**	**5,500**	**145,500**	**83,000**	**4,250**	**5,250**	**92,500**	**28,000**	**28,000**	**$ 341,500**				
	Total Remuneration (GMS) 7%	**4,025**	**1,260**	**5,285**	**6,580**	**3,220**	**385**	**10,185**	**5,810**	**298**	**368**	**6,475**	**1,960**	**1,960**	**$ 23,905**				
	GRAND TOTAL PROJECT COST	**61,525**	**19,260**	**80,785**	**100,580**	**49,220**	**5,885**	**155,685**	**88,810**	**4,548**	**5,618**	**98,975**	**29,960**	**29,960**	**$ 365,405**				

[4] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

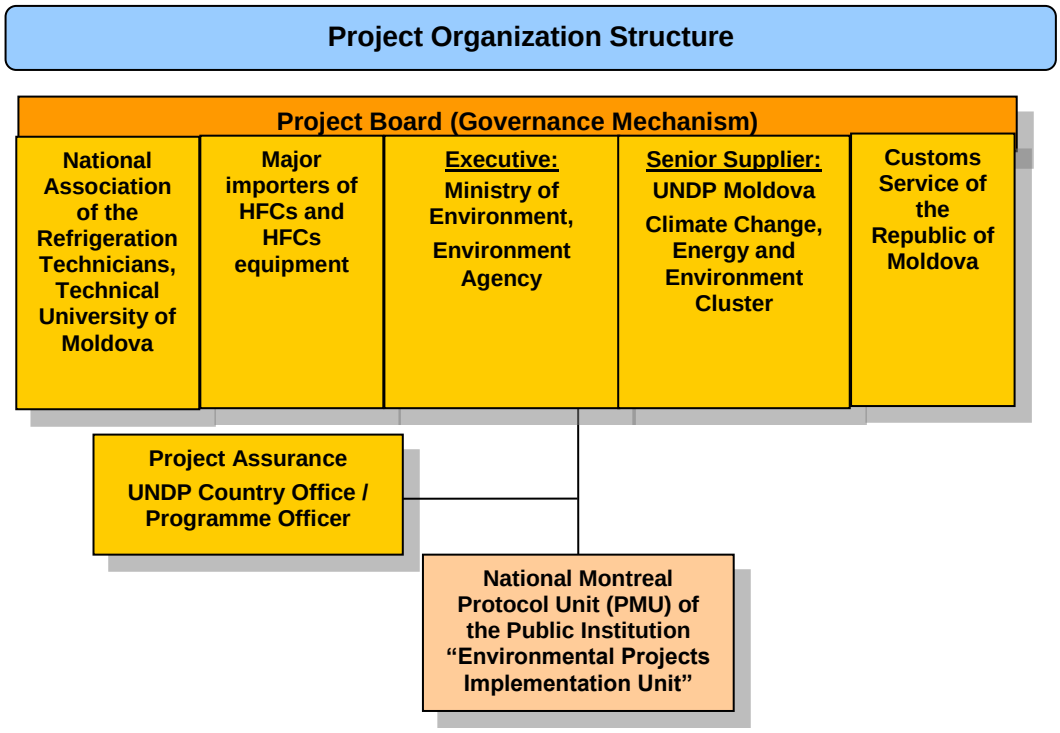
[5] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

101. The project will be implemented following UNDP's Support to National Implementation Modality (CO support to NIM), according to the Standard Basic Assistance Agreement (SBAA) between UNDP and the Government of Moldova and the Country Programme.

102. The overall project governance and organizational structure is presented below.



103. **Project Board.** Project Board (also called Project Steering Committee) will be responsible for making consensus-based decisions, in particular when guidance is required by the national MPU of the P.I. "EPIU". The Board will play a critical role in project monitoring and evaluations by assuring the quality of these processes and associated products, and by using evaluations for improving performance, accountability and learning. The Project Board will ensure that required resources are committed. It will also arbitrate on any conflicts within the project and negotiate solutions to any problems with external bodies. Specific responsibilities of the PB should include:

(i) For the processes of justifying, defining and initiating a project:

- Appraise and approve work plans submitted by the national MPU of the P.I. "EPIU";
- Delegate Project Assurance roles as appropriate;
- Commit project resources required by the work plan.

(ii) For the process of running a project:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Review annual plans and approve any essential deviations from the original plans; provided any deviations from the original plans require approval from UNDP;
- Review and approve progress and annual, as well as mid-term and final evaluation's project reports, make recommendations for follow-up actions;
- Provide ad-hoc direction and advice for exception situations when MPU's tolerances are exceeded;
- Assess and decide on conceptual project changes if necessary;
- Assure that all planned deliverables are delivered satisfactorily;

(iii) For the process of closing a project:

- Assure that all products/outputs are delivered satisfactorily;
- Review and approve the end of project report;
- Make recommendations for follow-up actions if necessary;

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

- Notify project closure to the stakeholders.

104. Project Board decisions shall be made in accordance with international standards that shall ensure management for development results, best value for money, fairness, integrity, transparency, and effective international competition. Members of the Project Board will consist of members from:

i) Vienna Convention and Montreal Protocol Focal Point(s), Air and Climate Policies Department, Ministry of Environment;
ii) Customs Service;
iii) National Refrigeration Technicians Association;
iv) Mechanical Engineering Department, Faculty of Mechanical Engineering, Industrial and Transportation, Technical University of Moldova;
v) Major importer companies of HCFCs and HCFCs equipment;
vi) NGO Representative;
vii) UNDP Moldova.

105. **Implementing Party**. The national Montreal Protocol Unit of the Public Institution "Environmental Projects Implementation Unit", subordinated to the Ministry of Environment of the Republic of Moldova, will serve as the project implementing partner. The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project results, and for the effective use of UNDP resources, specifically:

- Monitor day-to-day physical implementation of activities associated with the project, interacting with major stakeholders and interested parties;
- Revise the project logframe matrix, particularly in the areas of the objective hierarchy, indicators and monitoring mechanisms;
- Guide the process for identifying and designing the key indicators for each component, to record and report physical progress against the Annual Work Plan and Budget;
- Guide the process for identifying the key performance questions and parameters for monitoring project performance and comparing it to targets;
- Guide staff/national consultants and implementing partners in preparing their progress reports. Together, analyse these reports in terms of problems and actions needed;
- Collaborate with staff and implementing partners on qualitative monitoring to provide relevant information for ongoing evaluation of project activities, effects and impacts;
- Check that monitoring data are discussed in the appropriate forum and in a timely fashion in terms of implications for future action;
- Submit required analytical reports on progress – including indications of planned actions and financial statements – on time and to the relevant bodies;
- Control the budget and safeguard against project funds and assets misuse;
- Prepare progress report for HPMP Stage III.

106. **Project Assurance.** The UNDP CO will ensure project accountability, transparency, effectiveness and efficiency in implementation. UNDP will provide the Implementing Partner with the following major support services for the activities of the project in accordance with UNDP corporate regulations, such as: (i) procurement of goods and services; (ii) financial services. The UNDP will be responsible for a range of activities, including at least the following:

a) Ensuring performance and financial verification in accordance with this Project Document and with its specific internal procedures and requirements;
b) Assisting the national MPU in preparation of the Quarterly, Annual and Terminal Reports;
c) Providing independent verification to the ExCom that the targets have been met and associated activities have been completed;
d) Fulfilling the reporting requirements for the Quarterly, Annual and Terminal Implementation Reports for submission to the ExCom;
e) Ensuring that appropriate independent technical experts carry out the technical reviews;
f) Carrying out required supervision missions;

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Project Implementation Plan and accurate data reporting;

h) Ensuring that disbursements made to the Country are based on the use of the indicators; and

i) Providing assistance with policy, management and technical support when required.

107. 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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

IX. LEGAL CONTEXT

108. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the Republic of Moldova and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

109. This project will be implemented by national Montreal Protocol Unit of the Public Institution "Environmental Projects Implementation Unit" ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

110. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

111. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

112. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

113. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA");

b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

114. In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

    i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
    ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
    iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
    iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
    v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

115. The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project

116. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

117. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

118. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

119. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

120. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

121. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

122. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

123. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

124. The Implementing Partner agrees that, where applicable, donors to UNDP whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

125. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

126. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

127. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

XII. ANNEXES

ANNEX I. UNDP Social and Environmental Screening Procedure (SESP)

Project Information

Project Information	
1. Project Title	***Republic of Moldova's HCFCs Phase-Out Management Plan – Stage III (100% HCFCs Phase-Out by 2030, allowing for the 2.5% servicing tail during the period 2030-2040)***
2. Project Number (i.e. Atlas project ID, PIMS+)	Atlas Project ID: 00130830
3. Location (Global/Region/Country)	Republic of Moldova
4. Project stage (Design or Implementation)	Design (ProDoc stage)
5. Date	8 February 2022

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
The project has been designed in line with the human rights-based approach which aims at developing the capacities of the "duty-bearers" to meet their obligations and/or of the "rights-holders" to claim their rights. *In that sense, the following would be the contribution of the project to the provisions of the Universal Declaration of Human Rights:* *Article 3. "Everyone has the right to life, liberty and security of person". The project will directly contribute to the protection of human health and the environment by reducing the impacts caused by the unsound management of HCFCs. As such the project will contribute to protecting people's right to life.* *Article 19. "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and convey information and ideas through any media and regardless of frontiers." The project will ensure that stakeholders involved in the management of HCFCs will be engaged in the project's implementation, through appropriate consultation mechanisms, workshops and awareness raising events to allow them to participate in the decision-making process as during the project formulation so during its implementation, express their opinions on the project and its intended activities. Furthermore, project activities, objectives and results will be widely disseminated through various media channels throughout the project's implementation. The project will contribute to people's access to information and provide them with opportunities to express their opinions.* *Article 23 (2) "Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment". The project will help with further improvements in working conditions of engineers and technicians in refrigeration and air conditioning sectors who come into*

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

contact with HCFCs and natural refrigerant technologies such as ammonia (toxic), hydrocarbons (flammable) and carbon dioxide (high pressure), and others currently dominating the markets such as HFCs. Infrastructure and skills required to manage HCFCs and their substitutes will be improved by the project in private and public sectors, vocational education institutions. As such the project will contribute to protecting people's right to favorable conditions of work and improve work skills to stay competitive in the business.

Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

Although the project activities consist in converting technologies in targeted industries and thus do not explicitly have a gender dimension, the project team will promote the participation of women in consultation meetings and will address gender inequalities in terms of access to clean production, finance, and decision-making when applicable. If relevant gender empowerment needs will be identified during the implementation of the project, which will be adequately reported and addressed. The project will benefit from the Gender Analysis and Action Plan for Montreal Protocol Projects In China, Peru and Nigeria (published in October 2018) - https://www.undp.org/content/undp/en/home/librarypage/environment-energy/ozone_and_climate/GenderandMontrealProtocol.html.

Briefly describe in the space below how the project mainstreams sustainability and resilience

Briefly, the project mainstreams environmental sustainability by completely eliminating the dependence/use of chemicals (HCFCs) that deplete the ozone layer from the servicing sector. It will be done at two levels: 1) providing financial and technical support to the industries to convert their technologies and thus to have a cleaner production respecting the economic sustainability of both industries and consumers (end-users); 2) providing institutional support to the country and strengthening the national systems to monitor and regulate the import/export of ozone depleting substances.

Briefly describe in the space below how the project strengthens accountability to stakeholders

As part of UNDP's quality assurance role, UNDP requires adherence to the UNDP Social and Environmental Standards ("SES")[6] for project activities implemented using funds channelled through UNDP's accounts. The SES objectives are to: (i) strengthen the social and environmental outcomes of programmes and Projects; (ii) avoid adverse impacts to people and the environment; (iii) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (iv) strengthen UNDP and partner capacities for managing social and environmental risks; and (v) ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.

The Standards are underpinned by an Accountability Mechanism with two key functions:

- *A Stakeholder Response Mechanism that ensures individuals, peoples, and communities affected by UNDP projects have access to appropriate procedures for hearing and addressing project-related grievances; and,*
- *A Compliance Review process to respond to claims that UNDP is not in compliance with UNDP's social and environmental policies.*

The proposal will not support activities that do not comply with national law and obligations under international law, whichever is the higher standard. In the framework of this proposal support will be provided to the Government of Moldova to adhere to their human rights obligations and empower individuals and groups, to realize their rights and to ensure that they fully participate in implementation of the project proposal.

[6] "Environmental and Social Standards" as approved by UNDP's Organizational Performance Group in June 2014 and effective starting January 1, 2015.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description ***(broken down by event, cause, impact)***	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: Reproduction of discrimination against women based on gender Related to: Principle 2: Gender Equality and Women's Empowerment, q. 2	I = 1 L = 2	Low	The Gender Analysis Study undertaken in the Republic of Moldova in 2021, shows that this risk is relatively low. Although women rarely work in refrigeration and air-conditioning sector, the gender stereotypes are not frequent in this sector.	The awareness raising, particularly through specific training programme, and active promotion of woman technicians and engineers' participation in training programme (potentially one targeted training for women participants) will mitigate the risk. Gender-disaggregated data will also be collected.
Risk 2: Release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts. Related to: Principle 3: Environmental Sustainability: Standard 7: Pollution Prevention and Resource Efficiency, 7.1	I = 3 L = 2	Moderate	The project will support a number of enterprises in RAC sector to convert to zero-ODP and low-GWP alternatives. The project will result in a reduction in the release of HCFCs at the project's beneficiary facilities (2 in commercial refrigeration sector and 2 in industrial refrigeration sector). However the number of enterprises involved in this activity is small to produce a moderate or large scale impact.	Best available techniques/environmental practices will be followed.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Risk 3: Risk to worker and community health and safety due to the use of potentially flammable materials Related to: Principle 3: Environmental Sustainability: Standard 3: Community Health, Safety and Working Conditions, 3.2, 3.7	I = 4 L = 2	Moderate	The project will support a number of enterprises in RAC sector to convert to zero-ODP and low-GWP alternatives. Though it is not a pollutant per se, some of the replacement substances have a flammable nature (hydrocarbons) which will require appropriate safety measures to be in place.	Specific attention (safety audits) will be given to the support of manufacture using flammable alternatives (safety audits). The potential introduction of flammable alternatives in the RAC sector (R290 – hydrocarbon-based units) will also require that best practices and certification are further strengthened in the country.
Risk 4: Generation of waste (both hazardous and non-hazardous). Related to: Principle 3: Environmental Sustainability: Standard 7: Pollution Prevention and Resource Efficiency, 7.2	I = 3 L = 2	Moderate	The project will support introduction of zero-ODP and low-GWP alternatives in RAC sector. At the same time, recovery and recycling of HCFC will be carried out, thus this will contribute to reducing the waste (unused) of HCFC. This will be of non-hazardous nature.	Best available techniques/environmental practices will be followed. The safety audits will also address the potential issues around waste generation. No other specific management measures are required.
Risk 5: Potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Projects construction, operation, or decommissioning Related to: Principle 3: Environmental Sustainability: Standard 3: Community Health, Safety and Working Conditions, 3.7	I = 4 L = 2	Moderate	This is particularly due to the industrial processes that are being modified to improve sustainability and environmental performance of the sector. Some refrigerants are irritant and becomes acidic when mixed with water. As hand mixing is common in the target area, this could pose a health risk to the workers.	It is essential that awareness raising and proper training is provided to the workers in the facilities that are being supported (as well as all necessary measure highlighted in safety audits) so that no risk is generated for the workers during the transition.
Risk 6: Manufacture, trade, release, and/or use of hazardous chemicals and/or materials. Related to:	I = 1 L = 3	Low	The project will support trade controls through HCFCs quota allocation to the registered refrigerant importers and enforcement activities for Customs	Best available techniques/environmental practices will be followed. Close coordination with and involvement of the Customs Service will be ensured. No specific management measures are required.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Principle 3: Environmental Sustainability: Standard 7: Pollution Prevention and Resource Efficiency, 7.3			Officers, both of which will reduce trade, release and use of HCFCs.	

	QUESTION 4: What is the overall project risk categorization?			
	Low Risk	☐		
	Moderate Risk	x		
	Substantial Risk	☐		
	High Risk	☐		

	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)				
	Question only required for Moderate, Substantial and High Risk projects				
	Is assessment required? (check if "yes")	x		***Yes, Stakeholder engagement Plan***	
	Are management plans required? (check if "yes)			***No***	
	Based on identified risks, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	**x**	Addressed through the stakeholders engagement plan.		
	Gender Equality and Women's Empowerment	**X**	Addressed through gender mainstreaming, awareness and gender-aggregated data collection		
	Accountability				
	1. Biodiversity Conservation and Sustainable Natural Resource Management				
	2. Climate Change and Disaster Risks				
	3. Community Health, Safety and Security	**X**	Addressed through best practice, training and proper PPE		
	4. Cultural Heritage				
	5. Displacement and Resettlement				
	6. Indigenous Peoples				

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

	7. Labour and Working Conditions		
	8. Pollution Prevention and Resource Efficiency	**X**	Addressed through Best Available Techniques and Environmental Practices

Final Sign Off

Signature	***Date***	***Description***
DocuSigned by: Silvia Pana-Carp 632E81DCDEFA4DA...	04-May-2022	Ms. Silvia Pana-Carp, Programme Analyst, UNDP CO, acting as **QA Assessor**
DocuSigned by: Inga Podoroghin 2C205B0FE4C7434...	10-May-2022	Ms. Inga Podoroghin, Programme Specialist/Cluster Lead/Energy & Environment, UNDP CO as **QA Approver**
DocuSigned by: Andrea Cuzyova 30A862C5300B4B4...	04-May-2022	Ms. Andrea Cuzyova, Deputy Resident Representative, acting as **PAC Chair**

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	NO
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? [7]	NO
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	NO
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	NO
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	NO
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	NO
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	NO
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	NO
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	NO
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	YES
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	NO
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well-being.	NO
Principle 3: Environmental Sustainability - screening questions regarding environmental risks are encompassed by the specific standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes.	NO
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	NO
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to	NO

[7] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
	lands would apply, refer to Standard 5)	
1.4	Would Project activities pose risks to endangered species?	NO
1.5	Would the Project pose a risk of introducing invasive alien species?	NO
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	NO
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	NO
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? For example, construction of dams, reservoirs, river basin developments, groundwater extraction.	NO
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	NO
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	NO
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.	NO
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant[8] greenhouse gas emissions or may exacerbate climate change?	NO
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	NO
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding	NO
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	NO
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	YES
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	NO
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	NO
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, and erosion, flooding or extreme climatic conditions?	NO
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	NO
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	YES

[8] In regards to CO_2, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	NO
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	NO
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	NO
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	NO
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	NO
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	NO
5.3	Is there a risk that the Project would lead to forced evictions?[9]	NO
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	NO
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	NO
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	NO
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.	NO
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	NO
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	NO
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	NO
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	NO
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	NO
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	NO
Standard 7: Pollution Prevention and Resource Efficiency		

[9] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	NO
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	YES
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol.	YES
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	NO
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	NO

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

ANNEX II. Draft agreement between the Government of the Republic of Moldova and the Executive Committee of the Multilateral Fund for the reduction in consumption of HCFCs in accordance with Stage III of the HCFCs Phase-Out Management Plan

Purpose

1. This Agreement represents the understanding of the Government of the Republic of Moldova (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of zero ODP tonnes by 1 January 2030, in compliance with Montreal Protocol schedule.

2. The Country agrees to meet the annual consumption limits of the 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 all 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 the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (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 the stage III of the HCFC phase-out management plan (HPMP) approved ("the Plan"). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the 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 not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight 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, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in 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 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

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

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 of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

(a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight 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 which would modify any clause of this Agreement;
   (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
   (iv) Provision of funding for programmes or 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; and
   (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

(b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) 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 the activities in the refrigeration servicing sector included in the Plan, in particular:

(a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

(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. UNDP has agreed to be the lead implementing agency (the "Lead IA") and UNEP has agreed to be the cooperating implementing agency (the "Cooperating IAs") 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 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 independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B,

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the 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 of 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 ODP 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 to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IAs 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 sub-paragraph 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 sub-paragraphs 1(a), 1(b), 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 of the 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.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.0
Total	**C**	**I**	**1.0**

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.65	0.65	0.65	0.65	0.33	0.33	0.33	0.33	0.33	0.00	0.00	N/A
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.65	0.58	0.50	0.43	0.33	0.33	0.33	0.33	0.33	0.00	0.00	N/A
2.1	Lead IA (UNDP) agreed funding (US $)	75,500	0	0	145,500	0	0	92,500	0	0	28,000	0	341,500
2.2	Support costs for Lead IA (US $)	5,285	0	0	10,185	0	0	6,475	0	0	1,960	0	23,905
2.3	Cooperating IA (UNEP) agreed funding (US $)	51,500	0	0	49,500	0	0	23,000	0	0	22,000	0	146,000
2.4	Support costs for Cooperating IA (US $)	6,695	0	0	6,435	0	0	2,990	0	0	2,860	0	18,980
3.1	Total agreed funding (US $)	127,000	0	0	195,000	0	0	115,500	0	0	50,000	0	487,500
3.2	Total support cost (US $)	11,980	0	0	16,620	0	0	9,465	0	0	4,820	0	42,885
3.3	Total agreed costs (US $)	138,980	0	0	211,620	0	0	124,965	0	0	54,820	0	530,385
4.1.1.	Total phase-out of HCFC-22 agreed to be achieved (ODP tonnes)												0.65
4.1.2.	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0.35
4.1.3.	Remaining eligible consumption for HCFC-22 (ODP tonnes)												0

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five 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 of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight 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, uses of the flexibility for 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 of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche, 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 also 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 sub-paragraph (b) above;

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above sub paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP 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 HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC 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. The HPMP Stage III for the Republic of Moldova will be implemented by the national Montreal Protocol Unit (MPU) of the Public Institution "Environmental Projects Implementation Unit" (P.I. "EPIU") subordinated to the Ministry of Environment (MoEN) of the Republic of Moldova, with support from UNDP as the lead implementing agency and UNEP as the cooperating implementing agency. The national MPU of P.I. "EPIU" will function as coordinator of all project activities described in the HPMP-III.

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

2. Implementing Agencies (IAs) will apply their administrative procedures towards implementation of the HPMP Stage III. UNDP will use National Implementation Modality (NIM) based on establishment of Annual Workplans and utilization of UNDP procurement functions for the delivery of equipment and tools planned in the project. UNEP will utilize its standard operating procedure on SSFA agreements with the national MPU of the P.I. "EPIU". Regular monitoring of compliance with the workplans are ensured by both IAs.

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 HPMP;

(b) Assisting the Country in 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 is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;

(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 HCFC consumption targets had been met;

(g) Ensuring that appropriate independent technical experts carry out the technical reviews;

(h) Carrying out required supervision missions;

(i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;

(j) Co-ordinating the activities of the Cooperating IA, and ensuring 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 IAs, 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 policy, management and technical support when required;

(n) Reaching consensus with the Cooperating IA on any planning, co-ordination 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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs 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 IAs, and refer to the Lead IA to ensure a co-ordinated sequence in the 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, co-ordination and reporting arrangements

DocuSign Envelope ID: 45175EB4-767A-4E1A-A8C9-8A6011D1D5BC

required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US$ 180 per ODP kg 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.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

DocuSign

Certificate Of Completion

Envelope Id: 45175EB4767A4E1AA8C98A6011D1D5BC
Status: Completed
Subject: Please DocuSign: UNDP Moldova - ProDoc HPMP-III for signature
Source Envelope:
Document Pages: 46
Signatures: 6
Certificate Pages: 5
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+02:00) Athens, Bucharest

Envelope Originator:
Elena Olaru
One United Nations Plaza
New York, NY 10017
elena.olaru@undp.org
IP Address: 188.237.77.28

Record Tracking

Status: Original
04-May-22 | 15:17
Holder: Elena Olaru
elena.olaru@undp.org
Location: DocuSign

Signer Events	Signature	Timestamp
Silvia Pana-Carp silvia.pana-carp@undp.org Programme Analyst United Nations Development Program Security Level: Email, Account Authentication (None)	DocuSigned by: Silvia Pana-Carp 632E81BCBEFA4BA... Signature Adoption: Pre-selected Style Signed by link sent to silvia.pana-carp@undp.org Using IP Address: 178.168.59.38	Sent: 04-May-22 | 15:43 Viewed: 04-May-22 | 15:49 Signed: 04-May-22 | 15:49
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Andrea Cuzyova andrea.cuzyova@undp.org Dep Rep UNDP Headquarters Security Level: Email, Account Authentication (None)	DocuSigned by: Andrea Cuzyova 30A862C5300B4B4... Signature Adoption: Pre-selected Style Signed by link sent to andrea.cuzyova@undp.org Using IP Address: 77.89.212.77	Sent: 04-May-22 | 15:49 Viewed: 04-May-22 | 15:50 Signed: 04-May-22 | 15:50
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Dima Al-Khatib dima.al-khatib@undp.org Res Representative United Nations Development Program Security Level: Email, Account Authentication (None)	DocuSigned by: Dima Al-khatib 8620370E8BCA46E... Signature Adoption: Pre-selected Style Signed by link sent to dima.al-khatib@undp.org Using IP Address: 194.75.64.130 Signed using mobile	Sent: 04-May-22 | 15:50 Resent: 06-May-22 | 09:01 Viewed: 06-May-22 | 09:21 Signed: 06-May-22 | 09:21
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Anatolie Risina anatolie.risina@uipm.gov.md Security Level: Email, Account Authentication (None)	DocuSigned by: Anatolie Risina 72EDDAA97BA9492... Signature Adoption: Pre-selected Style Signed by link sent to anatolie.risina@uipm.gov.md Using IP Address: 188.214.203.254	Sent: 06-May-22 | 09:21 Viewed: 06-May-22 | 09:40 Signed: 06-May-22 | 09:40
Electronic Record and Signature Disclosure:		

Signer Events	Signature	Timestamp
Accepted: 06-May-22 | 09:40 ID: 52534f83-e6e1-4acb-affc-04bfc1036225		
Iuliana Cantaragiu iuliana.cantaragiu@mediu.gov.md Security Level: Email, Account Authentication (None)	DocuSigned by: Iuliana Cantaragiu FCA2269433A5421... Signature Adoption: Pre-selected Style Signed by link sent to iuliana.cantaragiu@mediu.gov.md Using IP Address: 46.55.18.181	Sent: 06-May-22 | 09:40 Viewed: 10-May-22 | 07:17 Signed: 10-May-22 | 07:18
Electronic Record and Signature Disclosure: Accepted: 27-Oct-21 | 17:26 ID: e9eb62de-f6b7-4818-999d-a0436756f63f		
Inga Podoroghin inga.podoroghin@undp.org Cluster Lead United Nations Development Program Security Level: Email, Account Authentication (None)	DocuSigned by: Inga Podoroghin 2C205B0FE4C7434... Signature Adoption: Pre-selected Style Signed by link sent to inga.podoroghin@undp.org Using IP Address: 94.243.68.199 Signed using mobile	Sent: 10-May-22 | 07:18 Viewed: 10-May-22 | 14:43 Signed: 10-May-22 | 14:44
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Olesea Cotoman olesea.cotoman@uipm.gov.md Security Level: Email, Account Authentication (None)	COPIED	Sent: 10-May-22 | 14:44 Viewed: 10-May-22 | 15:20
Electronic Record and Signature Disclosure: Accepted: 27-Oct-21 | 16:51 ID: 8c2d2d76-5c7f-4203-a082-72e673128380		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	04-May-22 | 15:43
Certified Delivered	Security Checked	10-May-22 | 14:43
Signing Complete	Security Checked	10-May-22 | 14:44
Completed	Security Checked	10-May-22 | 14:44

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, United Nations Development Program (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact United Nations Development Program:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: olivier.simah@undp.org

To advise United Nations Development Program of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at olivier.simah@undp.org and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from United Nations Development Program

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to olivier.simah@undp.org and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with United Nations Development Program

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to olivier.simah@undp.org and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify United Nations Development Program as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by United Nations Development Program during the course of your relationship with United Nations Development Program.