



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/73/20
7 October 2014



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-third Meeting
Paris, 9-13 November 2014

UNDP BUSINESS PLAN FOR THE YEARS 2015-2017

1. This document presents a summary of UNDP's planned activities for the phase-out of ozone-depleting substances (ODS) during the 2015-2017 period. It also contains UNDP's business plan performance indicators and recommendations for consideration by the Executive Committee. UNDP's 2015-2017 business plan narrative is attached to the present document.

SECRETARIAT'S COMMENTS

2. Table 1 sets out, by year, the value of activities included in UNDP's business plan according to categories "required for compliance" and "standard cost activities".

Table 1: Resource allocation in UNDP's business plan as submitted (2015-2017) (US \$000s)

Item	2015	2016	2017	Total (2015-2017)	Total (2018-2020)	Total after 2020
Required for compliance						
Approved multi-year agreements (MYAs)	18,138	1,809	568	20,515	2,212	22
HPMP stage I	0	175	0	175	158	30
HPMP stage I - additional funding	0	582	0	582	0	0
HPMP PRP - stage II	158	94	64	316	471	0
HPMP stage II	23,295	55,830	59,787	138,912	170,144	350
Demonstration - low GWP alternatives	5,200	0	0	5,200	0	0
Demonstration PRP - low GWP alternatives	275	0	0	275	0	0
Technical assistance - District cooling	200	0	0	200	0	0
Technical assistance PRP - District cooling	40	0	0	40	0	0
Standard cost activities						
Institutional strengthening (IS)	2,242	2,724	2,242	7,208	7,690	0
Core unit	2,041	2,055	2,069	6,165	6,295	0
Grand total	51,588	63,270	64,730	179,589	186,971	402

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

Required for complianceMYAs

3. Approved MYAs amount to US \$20.52 million for HCFC phase-out management plan (HPMP) stage I activities. The value for these activities amounts to US \$2.21 million for the period 2018 to 2020 and to US \$21,710 for after 2020.

Stage I of HPMPs

4. There are two countries (Mauritania and South Sudan) for which stage I of HPMPs have not yet been approved. The business plan includes US \$363,000, of which US \$175,000 is for the period 2015 to 2017.

5. UNDP's business plan includes three countries (Bolivia (Plurinational State of), Costa Rica and Cuba) for additional projects outside their stage I of HPMPs amounting to US \$582,297 for the period of 2015 to 2017. These requests fall under different decisions of the Executive Committee that allow these countries to submit additional projects during the implementation of stage I.

Stage II project preparation for HPMPs

6. The total level of funding for project preparation for stage II of HPMPs¹ is US \$787,010 including US \$316,210 for the period of 2015-2017².

Stage II of HPMPs in low-volume-consuming (LVC) countries

7. The total level of funding for stage II of overarching (servicing) HPMPs in LVC countries amounts to US \$968,012, including US \$373,973 for the period of 2015 to 2017.

Stage II of HPMPs in non-LVC countries

8. The total level of funding for stage II of HPMPs for non-LVC countries is US \$308.44 million for a total phase-out of 2,727 ODP tonnes of HCFCs (including US \$138.54 million for the total phase-out of 1,234 ODP tonnes for the period of 2015 to 2017). The sectors' breakdown is provided in Table 2.

Table 2: Stage II of HPMPs by sector (US \$000)

Sector	Total (2015-2017)	Total (2018-2020)	Total after 2020	Total	Per cent of total
Foam rigid	42,242	45,781		88,023	28.5
Extruded polystyrene (XPS) foam	164	493		658	0.2
Production of hydrocarbon-based refrigerants	3,012	0		3,012	1.0
HPMP servicing	10,183	11,041	350	21,574	7.0
Refrigeration air-conditioning	11,364	11,847		23,212	7.5
Refrigeration manufacturing (commercial and industrial)	57,337	79,035	0	136,372	44.2
Solvent	14,235	21,352		35,587	11.5
Grand total	138,538	169,550	350	308,438	100.0

¹ "Project preparation could be funded for stage II activities and might be included prior to the completion of stage I in business plans for the years 2012-2014" (decision 63/5(f)(i)).

² The guidelines for the preparation of stage II of HPMPs were approved at the 71st meeting (decision 71/42).

Demonstration project for low global-warming-potential (GWP) alternatives and technical assistance for feasibility studies in district cooling

9. A total of US \$5.72 million was submitted for demonstration projects, feasibility studies and associated project preparation pursuant to decision 72/40(b).

10. A total of US \$5.48 million is included for demonstration project for low GWP alternatives in 2015 (including US \$275,000 for preparation of projects). UNDP provided ODP values for all of the demonstration projects and copies of business planning letters for all activities.

11. A total of US \$240,000 is included for technical assistance projects for feasibility studies in district cooling in 2015 (including US \$40,000 for preparation projects).

Table 3: Demonstration projects for low GWP alternatives and technical assistance for feasibility studies in district cooling

Country	HCFC status	Project title	Value 2015 (\$000)		ODP 2015
			PRP	DEM	
Demonstration projects for low GWP alternatives			PRP	DEM	
China	Non-LVC	Demonstrating low GWP alternatives to HCFCs in commercial refrigeration in cold chain applications	75	1,200	6.9
Colombia	Non-LVC	Demonstrating low GWP alternatives to HCFCs through co-blowing with HFO and water in foam sector by addressing the needs of SMEs	25	500	5.9
Costa Rica	LVC	Demonstrating low GWP alternatives to HCFCs through NH3 in chillers for construction	25	500	2.9
Egypt	Non-LVC	Demonstrating low GWP alternatives to HCFCs by finding cost-effective solutions for small-scale enterprises in pour-in-place applications in the foam sector	25	500	5.9
India	Non-LVC	Demonstrating low GWP alternatives to HCFCs through adoption of HC-based refrigerant to replace HCFC-22 in manufacturing water coolers	25	500	2.9
Kyrgyzstan	LVC	Demonstrating low GWP alternatives to HCFCs through CO ₂ demo in cold storages in agricultural sector/supermarket chain	25	500	2.9
Malaysia	Non-LVC	Demonstrating low GWP alternatives to HCFCs through adoption of R-32-based commercial air-conditioning including service and maintenance practices of flammable refrigerants	25	500	2.9
Trinidad and Tobago	Non-LVC	Demonstrating low GWP alternatives to HCFCs through local production and supply of refrigerant-grade hydrocarbon	25	500	5.7
Uruguay	Non-LVC	Demonstrating low GWP alternatives to HCFCs through NH3 and HFO in commercial refrigeration	25	500	2.9
<i>Sub-total for demonstration projects for low GWP alternatives</i>			<i>275</i>	<i>5,200</i>	<i>38.9</i>
Technical assistance projects for feasibility studies in district cooling			PRP	TAS	
Dominican Republic (the)	Non-LVC	District cooling feasibility study	20	100	0.0
Egypt	Non-LVC	District cooling feasibility study	20	100	1.1
<i>Sub-total for technical assistance projects for feasibility studies in district cooling</i>			<i>40</i>	<i>200</i>	<i>1.1</i>
Grand total for projects pursuant to decision 72/40(b)			315	5,400	40.0

Standard cost activities

12. The core unit costs are expected to be maintained at the 0.7 per cent rate increase that has been agreed to-date.

13. For IS activities, US \$14.9 million has been included in the business plan of which US \$7.21 million is for the period of 2015 to 2017³, and US \$7.69 million is for the period of 2018 to 2020.

Adjustments based on existing Executive Committee decisions

14. In line with relevant decisions by the Executive Committee, the Secretariat proposes the following adjustments to UNDP's 2015-2017 business plans:

- (a) To reduce the funding levels provided for additional stage I of HPMP activities for the refrigeration manufacturing sector to the maximum cost-effectiveness for business planning of US \$9.00/kg, by US \$162,446 for the period of 2015 to 2017, and no adjustment after 2017;
- (b) To remove the funding levels provided for additional stage I of HPMP activities for the foam sector in Costa Rica amounting to US \$127,731 for the period of 2015 to 2017 since the project was included in the 2014 business plan;
- (c) To reduce the level of funding for project preparation of stage II of HPMPs pursuant to decision 71/42 for the period 2015 to 2020 by US \$220,445 (including US \$200,491 for the period of 2015 to 2017);
- (d) To reduce the funding levels provided for stage II of HPMPs in LVC countries to the maximum allowable value⁴ to achieve the 35 per cent reduction in the HCFC baseline, by US \$41,735 for the period of 2015 to 2020 (including US \$18,781 for the period 2015 to 2017);
- (e) To reduce by US \$375,570 the IS values according to when IS renewals are due based on the latest approvals of the IS requests and the current funding structure, for the period of 2015 to 2020 (no adjustment for the period of 2015 to 2017);
- (f) To remove demonstration projects on low GWP alternatives amounting to US \$5.48 million for the period of 2015-2017 with no adjustment after 2017.

15. These adjustments are addressed in the context of the Consolidated 2015-2017 business plan document (UNEP/OzL.Pro/ExCom/73/18).

16. Table 4 presents the results of the Secretariat's proposed adjustments to UNDP's business plans.

Table 4: Resource allocation in UNDP's business plan as adjusted by existing Executive Committee decisions (US \$000s)

Item	2015	2016	2017	Total (2015-2017)	Total (2018-2020)	Total after 2020
Required for compliance						
Approved MYAs	18,138	1,809	568	20,515	2,212	22
HPMP stage I	0	175	0	175	158	30
HPMP stage I - additional funding	0	292	0	292	0	0
HPMP PRP - stage II	19	32	64	116	451	0
HPMP stage II	23,295	55,821	59,777	138,893	170,121	350

³ In line with decision 63/5(b), current levels of funding for IS for business planning purposes are maintained up to 2020 in the absence of a decision on funding levels.

⁴ According to decision 60/44(f)(xii).

Item	2015	2016	2017	Total (2015-2017)	Total (2018-2020)	Total after 2020
Demonstration - low GWP alternatives	0	0	0	0	0	0
Demonstration PRP - low GWP alternatives	0	0	0	0	0	0
Technical assistance - District cooling	200	0	0	200	0	0
Technical assistance PRP - District cooling	40	0	0	40	0	0
Standard cost activities						
IS	2,242	2,349	2,617	7,208	7,315	0
Core unit	2,041	2,055	2,069	6,165	6,295	0
Grand total	45,975	62,533	65,096	173,604	186,552	402

Performance indicators for UNDP

17. A summary of UNDP's performance indicators pursuant to decision 71/28 is provided in Table 5.

Table 5: Performance indicators

Type of indicator	Short title	Calculation	2015 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	33
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	70
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$19 million
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	464.6
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	71
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	70% of those due
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	70% of those due
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

** Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

18. According to the 2015 business plan, UNDP's target for projects/activities approved for individual projects should be 37 including 14 preparation, 11 demonstration, 11 IS and one technical assistance activities. As per the 2013 progress report for projects that are planned to be completed in 2015, the target for project completion should be 75 including three demonstration, 20 IS, four preparation, eight technical assistance and 40 investments activities.

Policy issues

19. UNDP presented two issues related to stage II of HPMPs. The first issue relates to the challenges of stage II for enterprises with low levels of HCFC consumption, where the established alternatives for the foam sector (hydrocarbons) do not always provide a sustainable solution in terms of availability, costs, performance and safety issues. The second issue, also raised in the 2014-2016 business plans, relates to the need to complete the guidelines for stage II of HPMPs as many countries would be submitting their last tranche requests for stage I in 2015.

RECOMMENDATIONS

20. The Executive Committee may wish to consider:
- (a) Noting the 2015-2017 business plan of UNDP as contained in document UNEP/OzL.Pro/ExCom/73/20; and
 - (b) Approving the performance indicators for UNDP as set out in Table 5 of document UNEP/OzL.Pro/ExCom/73/20 while setting a target of 37 for projects/activities approved for individual projects, and 75 for project completion for activities.

**73rd Meeting of the Executive Committee of the Multilateral Fund for the Implementation
of the Montreal Protocol
(Paris, 9-13 November 2014)**

UNDP 2015 BUSINESS PLAN NARRATIVE

1. Introduction

This narrative is based on an excel table that is included as **Annex 1** to this report. This table lists all the ongoing and planned activities for which funding is expected during the period 2015 through 2017. Figures are also provided for the years 2018-2030, which are mainly related to Stage I HPMP approvals, preparation funds for Stage II, and Stage II HPMP proposals. Since the guidelines for Stage II proposals have not been approved by the Executive Committee yet, it should be noted that this is only an estimated indication as to the needs for these years. It should also be noted that planned activities included in the 2015 column are relatively firm, while future years are indicative and are provided for planning purposes only.

The activities included for 2015 can be summarized as follows:

- 22 ongoing institutional strengthening activities, of which 11 will request an extension in 2015 for a combined amount of US\$ 2.2 million;
- Several HCFC-related activities, most of which have resulted directly from the approval of Stage I in the previous five years.
- Preparation funding for Stage II HCFC activities, usually requested one or two years before the proposed submission of Stage II (in most cases, coinciding with the year that the last tranche of Stage I will be submitted);
- HCFC activities have also been included for Stage II HPMPs for several countries. However, it should be noted that the figures have only been provided for business planning purposes and are subject to change depending on the Stage II HPMP guidelines that are to be adopted by the Executive Committee;
- Projects demonstrating low GWP alternatives to HCFCs (in accordance with ExCom Decision 72/40) in ten countries. It should be noted that this list is only indicative at this stage and that the outlines/proposals to be submitted to the 74th meeting of the Executive Committee may contain different countries/technologies as per decision 72/40; and
- One global request for the Core Unit support cost.

The expected business planning value is US\$ 51.6 million for 2015 and US\$ 63.3 million for 2016 (including support costs).

Figures for the Stage I HPMP-related activities in 2015 and beyond were obtained using the following methodology:

1. For the approved MYAs, actual figures and ODP values were taken from the agreements between the Executive Committee and the countries concerned.
2. A new Stage I HPMP for South Sudan with funding in 2016 was included. Due to a lack of available data, estimates had to be derived based on countries with similar conditions. Difficulties at the national level have not allowed us to submit this Stage I HPMP (as well as the Stage I HPMP for Mauritania) yet.
3. HPMPs for Costa Rica and Paraguay have already been approved, but entries for potential foam projects that use pre-blended polyols have been included for these countries, mainly in 2016. These requests fall under ExCom decisions 61/47 and 63/15, which allows countries to submit them when a feasible technology is available in the System Houses that supply the countries (mainly Colombia and Chile that would be reconverted in their Stage II HPMPs). Similarly, while the Stage I for Bolivia

was approved for Germany in 2011, a foam sector plan for Bolivia will still be submitted by UNDP in 2016.

4. An investment project and corresponding preparation funds have been included for Cuba in air conditioning manufacturing in the year 2016. At the time of Cuba's HPMP approval (November 2011), the decision allowed Cuba to submit the investment project for Frioclima during this period.

Please note that the Stage II HPMP figures are tentative due to the lack of guidelines. Figures for the Stage II HPMP-related activities in 2015 and beyond are thus provided for business planning purposes only and were obtained using the following methodology:

1. We took the sector/chemical distribution as per starting point, based on the HPMP Stage I document.
2. We took the ODPs by sectors that have already been approved during Stage I and calculated the remaining eligible sector consumption by deducting the approved ODP from the original sector distribution.
3. For non-LVCs, we estimated the value of Stage II based on a calculation of 100% of the value of phase-out. For HCFC-141b entries (which should be prioritized), the amounts were prorated until 2020. For HCFC-22 entries, the amounts were prorated through 2030, and then partially backloaded until after 2020.
4. For LVCs that phased out 10% in Stage I, we assumed they would phase-out 35% in Stage II.
5. US dollar estimates were derived based on the cost-effectiveness figures used by the MLF Secretariat.
6. The year of the first tranche of Stage II and the duration of Stage II were determined on a country basis depending on the local context of the country. In most cases, Stage II HPMPs were entered in the same year as the last tranche of Stage I since the last tranche only represents a token amount to verify that phase-out took place.

Stage II PRP was entered one to two years before the last tranche of Stage I of the HPMP is due in most cases with the exception of countries that are submitting Stage II in 2015.

2. Resource allocation

The projects are grouped into various categories, which are described in the following summary table.

Table 1: UNDP 2015-2017 Business Plan Resource Allocations¹

Project Type	2015 BP Value (\$000)	2016 BP Value (\$000)	2017 BP Value (\$000)
1a. Approved Stage I HPMP	18,138	1,809	568
2a. Planned Stage I HPMPs	-	757	-
2b. Planned Stage II PRP	158	94	64
2c. Planned Stage II HPMP	23,295	55,830	59,787
3. Planned Institutional Strengthening	2,242	2,724	2,242
4a. Planned Demonstration PRP	315	-	-
4b. Planned Demonstration	5,400	-	-
5. Core	2,041	2,055	2,069
Grand Total	51,588	63,270	64,730

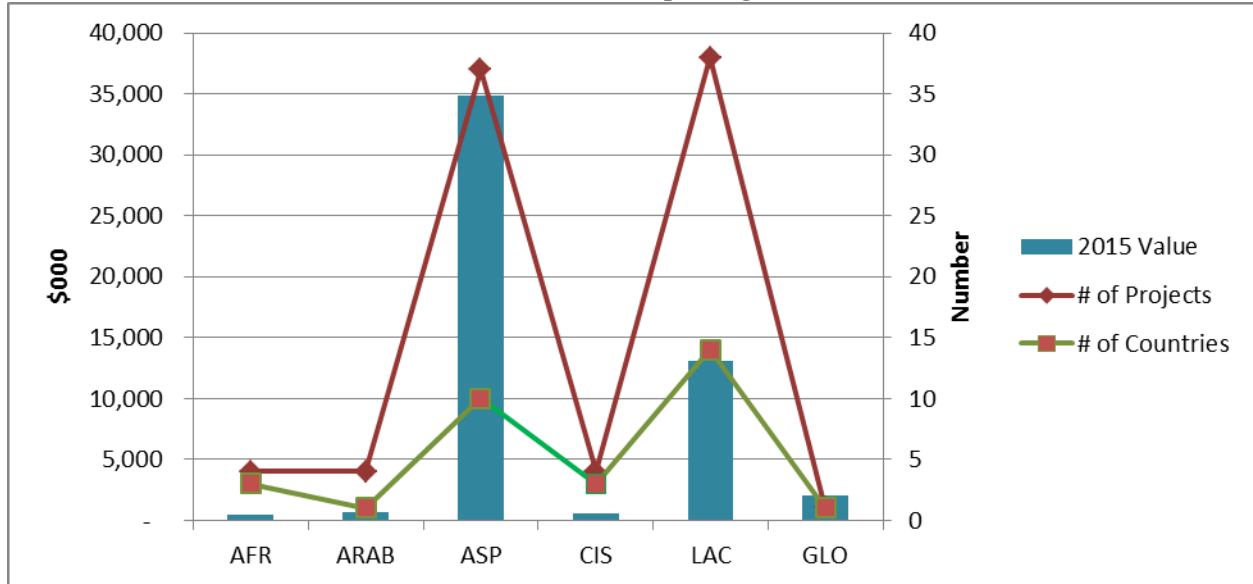
3. Geographical distribution

The UNDP Business Plan will once again cover all the regions, with approved and new activities in 53 countries, 34 of which have funding requests in 2015. The number of countries, activities and budgets per

¹ All values include agency support costs.

region for 2015 is listed in Chart 1.

Chart 1: UNDP 2015 MYA Tranches² and New Activities per Region³



This graph doesn't include the Ozone programmes in the CIS that are funded by the GEF.

4. Programme Expansion in 2015

4.1. Background

UNDP's 2015-2017 Business Plan has mostly been developed by taking previous years' business plans into consideration and through communication with countries that have expressed an interest in working with UNDP to address their compliance and other needs.

Clarifications were sought and overlaps were resolved during discussions with the MLF Secretariat and other Implementing and bilateral Agencies during and post the Inter-Agency Coordination meeting held on 2-3 September 2014 in Montreal.

Countries Contacted. All activities listed are either deferred from the prior year's business plan, or have active project preparation accounts ongoing, or were included based on requests from the countries concerned.

Coordination with other bilateral and implementing agencies. As in the past, during 2015 UNDP will continue to collaborate with both bilateral and other implementing agencies, as lead agency or cooperating agency. Collaborative arrangements in programming will continue with bilateral agencies, the Government of Italy and the Government of Japan.

4.2. ODP Impact on the 3-year Phase-out Plan

In the next table, which is also based on **Annex 1**, the ODP amount listed in a given year corresponds to the US\$ amount that is approved in that same year whereby the overall cost-effectiveness was applied to each individual funding tranche.

²All values include agency support costs.

³EUR contains CIS-countries that receive MLF funding.

Table 3: Impact upon Project Approval (in ODP T)⁴

Chemical Type	ODP in 2015	ODP in 2016	ODP in 2017
HCFC-141b	244.3	295.0	293.6
HCFC-142b	-	-	1.2
HCFC-22	198.5	212.4	221.4
HCFC-22/HCFC-141b	21.8	8.7	3.3
Grand Total	464.6	516.1	519.4

*The split between the various HCFCs is often difficult to determine, especially where various agencies are active in one HPMP. It is for those cases that the category “HCFC-22/HCFC-141b” was used.

4.3. Project preparation for Stage II HPMPs

Project preparation funding has been included in 2015 for Stage II HPMPs in three countries for US\$ 158,000. UNDP has already received preparation funding for the vast majority of its countries in 2014. The amounts have been generally requested two years prior to the end of Stage I and were based on the Stage II project preparation funding (PRP) guidelines that was approved by the Executive Committee at its 71st meeting (Decision 71/42).

4.4. Non-investment projects

Also included in **Annex 1** are UNDP’s 12 individual planned non-investment projects in 2015, with a total value of US\$ 7.4 million, including support costs. This list includes one global request under the core unit and ten projects demonstrating low GWP alternatives to HCFCs (in accordance with ExCom Decision 72/40).

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2015.

Table 5: Individual Non-Investment projects (DEM/TAS) in 2015

Agency Category	Country	Sector and Subsector	Value (\$000) in 2015
4b. Planned Demonstration	China	Demonstrating low GWP alternatives to HCFCs in commercial refrigeration in cold chain applications (Dec 72/40)	1,200
4b. Planned Demonstration	Colombia	Demonstrating low GWP alternatives to HCFCs through co-blowing with HFO and Water in Foam Sector by addressing the needs of SMEs (Dec 72/40)	500
4b. Planned Demonstration	Costa Rica	Demonstrating low GWP alternatives to HCFCs through NH3 in chillers for construction (Dec 72/40)	500
4b. Planned Demonstration	Dominican Republic	District Cooling Feasibility Study (Dec 72/40)	100
4b. Planned Demonstration	Egypt	Demonstrating low GWP alternatives to HCFCs by finding cost-effective solutions for small-scale enterprises in pour-in-place applications in the foam sector (Dec 72/40)	500
4b. Planned Demonstration	Egypt	District Cooling Feasibility Study (Dec 72/40)	100
4b. Planned Demonstration	India	Demonstrating low GWP alternatives to HCFCs through adoption of HC based refrigerant to replace HCFC-22 in manufacturing water coolers (Dec 72/40)	500
4b. Planned Demonstration	Kyrgyzstan	Demonstrating low GWP alternatives to HCFCs through CO2 demo in cold storages in agricultural sector/supermarket chain (Dec 72/40)	500

⁴ Tonnage in ODP and based on date of project approvals. The figures for ODP related to ODS-waste management and destruction projects are very raw estimates. In addition it has to be clear that those figures are not phase-out as they represent ODS “use” and not “consumption”

4b. Planned Demonstration	Malaysia	Demonstrating low GWP alternatives to HCFCs through adoption of R-32 based commercial air-conditioning including service and maintenance practices of flammable refrigerants (Dec 72/40)	500
4b. Planned Demonstration	Trinidad and Tobago	Demonstrating low GWP alternatives to HCFCs through local production and supply of refrigerant-grade hydrocarbon (Dec 72/40)	500
4b. Planned Demonstration	Uruguay	Demonstrating low GWP alternatives to HCFCs through NH3 and HFO in commercial refrigeration (Dec 72/40)	500
5. Core	Global	Core Unit Support	2,041

In addition, UNDP will prepare 11 non-investment Institutional Strengthening project extensions in 2015, as indicated in the table below. The total value of IS renewal programming in 2015 is US\$ 2.2 million. An additional 11 IS renewals (Brazil, China, Ghana, India, Iran, Lebanon, Nigeria, Pakistan, Sri Lanka, Trinidad and Tobago, and Venezuela) will be submitted in 2016 and are thus not shown in the table below.

Table 6: Non-Investment Institutional Strengthening requests

Agency Category	Country	Sector and Subsector	2015 BP Value (000)
3. Planned Inst. Str.	Argentina	Several Ozone unit support	333
3. Planned Inst. Str.	Bangladesh	Several Ozone unit support	139
3. Planned Inst. Str.	Chile	Several Ozone unit support	200
3. Planned Inst. Str.	Colombia	Several Ozone unit support	295
3. Planned Inst. Str.	Costa Rica	Several Ozone unit support	150
3. Planned Inst. Str.	Cuba	Several Ozone unit support	160
3. Planned Inst. Str.	Georgia	Several Ozone unit support	65
3. Planned Inst. Str.	Indonesia	Several Ozone unit support	290
3. Planned Inst. Str.	Malaysia	Several Ozone unit support	299
3. Planned Inst. Str.	Panama	Several Ozone unit support	150
3. Planned Inst. Str.	Uruguay	Several Ozone unit support	161

4.5. Formulation of HPMP related activities in 2015

UNDP has submitted HCFC Stage I Phase-out Management Plans for 48 countries out of 50 countries. 2015 will be particularly important as it is a critical compliance year. Thus, an increased effort will be made to speed up implementation of ongoing tranches of Stage I HCFC Phase-out Management Plans. In addition, the following project formulation activities will be carried out:

1. Preparing and submitting third/fourth tranches of Stage I HPMPs. 23 tranches worth \$18.1 million is expected to be submitted in 2015.
2. As discussed above, preparation funding for Stage II HPMPs for three countries have also been included in the 2015 Business Plan.
3. Full proposals for Stage II HPMPs. 2015 is the first year when Stage II HPMP proposals will be submitted. It is expected that ten countries will be submitting their Stage II HPMPs to the ExCom for its consideration in 2015.

It should be noted that UNEP and UNDP are still working on finalizing and submitting the Stage I HPMP for Mauritania. However, we have been unable to submit this HPMP yet due to internal difficulties (which has led to an audit that is still ongoing). Thus, UNDP has included the Stage I HPMP for Mauritania in its Business Plan in 2016. However, if the auditing issues are resolved and we are able to submit this HPMP earlier, we will certainly do so. The Stage I HPMP for South Sudan will also be submitted as soon as the situation of the country will allow us to do so.

5. Activities included in the Business plan that needs special consideration

While the preceding paragraph 4 of this report dealt specifically with 2015 activities only, section 5 is related to all years.

Implementation of HCFC Phase-out Management Plans (HPMPs) in developing countries involves technology and policy interventions for phasing out HCFCs, to comply with the control targets of the accelerated HCFC phase-out schedule. During Stage I of the HPMP covering the 2013 and 2015 control targets, higher ODP HCFCs and sectors (HCFC-141b and the Foams Sector) were prioritized to maximize environmental impact. It followed that larger enterprises, where cost-effective conversions could be carried out using existing and mature technologies (eg. hydrocarbons), were also prioritized.

While some companies addressed in Stage I were able to identify solutions, we are now facing the work to be done to phase out consumption in SMEs. It has been noted during Stage I that even in the prioritized sectors/substances (HCFC-141b, Foams Sector), for enterprises with lower levels of HCFC consumption, established alternatives to HCFCs (e.g. hydrocarbons) did not always provide a sustainable solution in terms of availability, costs, performance and safety issues. Similarly, in other sectors and substances, alternatives to HCFCs are in various stages of development and market introduction and reliable data in terms of costs, availability and performance is not readily available, particularly at the country/ground level.

UNDP has significant experience in facilitating technology assessments of emerging alternatives (Methyl formate, Methyl Al, CO₂, R-32, Ammonia, hydrocarbons, etc.) in various sectors and will be submitting new proposals in 2015 that are in line with the intent of ExCom Decision 72/40 and which demonstrate viable and low GWP alternatives to HCFCs using various technologies in a number of priority sectors.

6. Policy Issues

6.1. HPMP Stage II Guidelines

Guidelines for Stage II HPMPs will need to be approved as soon as possible as several countries will be submitting their last tranche requests for Stage I in 2015 and ten countries will be submitting proposals for Stage II in 2015. The problem of not having guidelines in place is that countries for which stage II HPMPs are approved before the adoption of such guidelines will end up being treated differently than countries that will submit their HPMPs later. This may result in some countries deciding to delay submission, with the related risk of becoming in non-compliance.

There are no other policy issues to be highlighted.

7. 2015 PERFORMANCE INDICATORS

Decision 71/28 of the Executive Committee approved the following indicators to allow for the evaluation of performance of implementing agencies, with the weightings indicated in the table below. UNDP has added a column containing the “2015 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2015 business plan to be approved at the 73rd ExCom meeting in November 2014. It should however be noted that this table is usually revised at that meeting, depending on the decisions that are taken. Other targets will be known once the prior year’s progress report is submitted.

Category of performance indicator	Item	Weight	UNDP’s target for 2015	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	33	23 Stage I approved tranches and 10 Stage II planned tranches
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	70	33 MYAs, 11 IS, 14 PRP, 12 TAS/DEM
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	TBD	Will be determined when 2014 Progress Report is submitted
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	464.6	ODS Phaseout associated with 23 Stage I approved tranches and 10 Stage II planned tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	71	As determined by 2013 PR
Administrative	The extent to which projects are financially completed 12 months after project completion	10	70% of those due	
Administrative	Timely submission of project completion reports vs. those agreed	5	70% of those due	
Administrative	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time	

* The target of an agency will be reduced if we could not submit a tranche owe to another cooperating/lead agency, if agreed by that agency.

** Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

Note: As per usual practice, all the above indicators will be revised during the 73rd ExCom, depending on which programmes are allowed to stay in the business plan at that meeting.

ANNEX 1 – TABLES RELATED TO PERFORMANCE INDICATORS

**Table 1: Performance Indicator on planned/approved tranches
ONGOING HPMPs**

Country	Sector and Subsector
Brazil	Stage I HPMP
Brunei Darussalam	Stage I HPMP
Chile	Stage I HPMP
China	Stage I HPMP (ICR/Solvents)
Costa Rica	Stage I HPMP
DRC	Stage I HPMP
Dominican Republic	Stage I HPMP
El Salvador	Stage I HPMP
India	Stage I HPMP
Indonesia	Stage I HPMP
Iran	Stage I HPMP
Lebanon	Stage I HPMP
Malaysia	Stage I HPMP
Mexico	Stage I HPMP
Nepal	Stage I HPMP
Nigeria	Stage I HPMP
Panama	Stage I HPMP
Paraguay	Stage I HPMP
Peru	Stage I HPMP
Moldova	Stage I HPMP
Timor-Leste	Stage I HPMP
Trinidad and Tobago	Stage I HPMP
Uruguay	Stage I HPMP

PLANNED AND NEW HPMPs

Brazil	Stage II HPMP
Colombia	Stage II HPMP
Dominican Republic	Stage II HPMP
India	Stage II HPMP
Indonesia	Stage II HPMP
Iran	Stage II HPMP
Lebanon	Stage II HPMP
Malaysia	Stage II HPMP
Panama	Stage II HPMP
Uruguay	Stage II HPMP

Table 2: Performance Indicator on planned/approved activities**MYAs**

Country	Sector and Subsector
Brazil	Stage I HPMP
Brunei Darussalam	Stage I HPMP
Chile	Stage I HPMP
China	Stage I HPMP (ICR/Solvents)
Costa Rica	Stage I HPMP
DRC	Stage I HPMP
Dominican Republic	Stage I HPMP
El Salvador	Stage I HPMP
India	Stage I HPMP
Indonesia	Stage I HPMP
Iran	Stage I HPMP
Lebanon	Stage I HPMP
Malaysia	Stage I HPMP
Mexico	Stage I HPMP
Nepal	Stage I HPMP
Nigeria	Stage I HPMP
Panama	Stage I HPMP
Paraguay	Stage I HPMP
Peru	Stage I HPMP
Moldova	Stage I HPMP
Timor-Leste	Stage I HPMP
Trinidad and Tobago	Stage I HPMP
Uruguay	Stage I HPMP
Brazil	Stage II HPMP
Colombia	Stage II HPMP
Dominican Republic	Stage II HPMP
India	Stage II HPMP
Indonesia	Stage II HPMP
Iran	Stage II HPMP
Lebanon	Stage II HPMP
Malaysia	Stage II HPMP
Panama	Stage II HPMP
Uruguay	Stage II HPMP

INS

Country	Sector and Subsector
Argentina	Several Ozone unit support
Bangladesh	Several Ozone unit support
Chile	Several Ozone unit support

Colombia	Several Ozone unit support
Costa Rica	Several Ozone unit support
Cuba	Several Ozone unit support
Georgia	Several Ozone unit support
Indonesia	Several Ozone unit support
Malaysia	Several Ozone unit support
Panama	Several Ozone unit support
Uruguay	Several Ozone unit support

PRP

Country	Sector and Subsector
Angola	Stage II HPMP Preparation (refr servicing)
DRC	Stage II HPMP Preparation (refr servicing)
Peru	Stage II HPMP Preparation (foam, refr servicing)
China	Demonstrating low GWP alternatives to HCFCs in commercial refrigeration in cold chain applications (Dec 72/40)
Colombia	Demonstrating low GWP alternatives to HCFCs through co-blowing with HFO and Water in Foam Sector by addressing the needs of SMEs (Dec 72/40)
Costa Rica	Demonstrating low GWP alternatives to HCFCs through NH3 in chillers for construction (Dec 72/40)
Dominican Republic	District Cooling Feasibility Study (Dec 72/40)
Egypt	Demonstrating low GWP alternatives to HCFCs by finding cost-effective solutions for small-scale enterprises in pour-in-place applications in the foam sector (Dec 72/40)
Egypt	District Cooling Feasibility Study (Dec 72/40)
India	Demonstrating low GWP alternatives to HCFCs through adoption of HC based refrigerant to replace HCFC-22 in manufacturing water coolers (Dec 72/40)
Kyrgyzstan	Demonstrating low GWP alternatives to HCFCs through CO2 demo in cold storages in agricultural sector/supermarket chain (Dec 72/40)
Malaysia	Demonstrating low GWP alternatives to HCFCs through adoption of R-32 based commercial air-conditioning including service and maintenance practices of flammable refrigerants (Dec 72/40)
Trinidad and Tobago	Demonstrating low GWP alternatives to HCFCs through local production and supply of refrigerant-grade hydrocarbon (Dec 72/40)
Uruguay	Demonstrating low GWP alternatives to HCFCs through NH3 and HFO in commercial refrigeration (Dec 72/40)

DEM/TAS

Country	Sector and Subsector
China	Demonstrating low GWP alternatives to HCFCs in commercial refrigeration in cold chain applications (Dec 72/40)
Colombia	Demonstrating low GWP alternatives to HCFCs through co-blowing with HFO and Water in Foam Sector by addressing the needs of SMEs (Dec 72/40)
Costa Rica	Demonstrating low GWP alternatives to HCFCs through NH3 in chillers for construction (Dec 72/40)
Dominican Republic	District Cooling Feasibility Study (Dec 72/40)
Egypt	Demonstrating low GWP alternatives to HCFCs by finding cost-effective solutions for small-scale enterprises in pour-in-place applications in the foam sector (Dec 72/40)
Egypt	District Cooling Feasibility Study (Dec 72/40)
India	Demonstrating low GWP alternatives to HCFCs through adoption of HC based refrigerant to replace HCFC-22 in manufacturing water coolers (Dec 72/40)
Kyrgyzstan	Demonstrating low GWP alternatives to HCFCs through CO2 demo in cold storages in agricultural sector/supermarket chain (Dec 72/40)
Malaysia	Demonstrating low GWP alternatives to HCFCs through adoption of R-32 based commercial air-conditioning including service and maintenance practices of flammable refrigerants (Dec 72/40)

Trinidad and Tobago	Demonstrating low GWP alternatives to HCFCs through local production and supply of refrigerant-grade hydrocarbon (Dec 72/40)
Uruguay	Demonstrating low GWP alternatives to HCFCs through NH3 and HFO in commercial refrigeration (Dec 72/40)
Global	Core Unit Support

Table 3: ODS phase-out for tranches

Country	Title	2015 ODP
Brazil	Stage I HPMP	18.55
Brunei Darussalam	Stage I Investment proj./Sector Plans (Servicing Sector)	0.27
Chile	Stage I HPMP	1.39
China	Stage I Investment proj./Sector Plans (ICR Sector Plan)	116.75
China	Stage I Investment proj./Sector Plans (Solvents Sector Plan)	6.38
Costa Rica	Stage I HPMP	1.02
DRC	Stage I HPMP	0.29
Dominican Republic	Stage I HPMP	2.92
El Salvador	Stage I HPMP	0.50
India	Stage I HPMP	23.09
Indonesia	Stage I HPMP	4.85
Iran	Stage I HPMP	7.66
Lebanon	Stage I HPMP	1.00
Malaysia	Stage I HPMP	5.15
Mexico	Stage I HPMP	26.03
Nepal	Stage I Investment proj./Sector Plans (Servicing Sector)	0.10
Nigeria	Stage I HPMP	5.47
Panama	Stage I HPMP	0.45
Paraguay	Stage I HPMP	1.31
Peru	Stage I HPMP	0.33
Moldova	Stage I HPMP	0.02
Timor-Leste	Stage I HPMP	0.00
Trinidad and Tobago	Stage I HPMP	5.77
Uruguay	Stage I HPMP	0.50
Brazil	Stage II HPMP	40.39
Colombia	Stage II HPMP	15.57
Dominican Republic	Stage II HPMP	2.71
India	Stage II HPMP	100.52
Indonesia	Stage II HPMP	20.16
Iran	Stage II HPMP	23.88
Lebanon	Stage II HPMP	4.03
Malaysia	Stage II HPMP	23.80
Panama	Stage II HPMP	1.69
Uruguay	Stage II HPMP	2.10

Table 4: Performance Indicator on project completions

MLF Number	Planned Date of Compl	Type
ANG/PHA/65/INV/10	Nov-15	INV
ARG/SEV/71/INS/172	Dec-15	INS

ARM/PHA/66/INV/09	Apr-15	INV
BGD/PHA/65/INV/40	Dec-15	INV
BGD/SEV/71/INS/41	Dec-15	INS
BRA/PHA/64/INV/295	Dec-15	INV
BRA/PHA/68/INV/298	Apr-15	INV
BRA/SEV/66/INS/297	Jan-15	INS
BRU/PHA/66/INV/13	Dec-15	INV
BZE/PHA/62/INV/26	Dec-15	INV
CHI/PHA/71/INV/179	Jun-15	INV
CHI/SEV/69/INS/177	Mar-15	INS
COL/DES/66/DEM/82	Apr-15	DEM
COL/PHA/66/INV/81	Jan-15	INV
COL/REF/47/DEM/65	Jan-15	DEM
COL/SEV/70/INS/83	Oct-15	INS
COS/PHA/70/INV/48	Jul-15	INV
COS/SEV/71/INS/49	Dec-15	INS
CPR/PHA/68/INV/525	Dec-15	INV
CPR/PHA/71/INV/534	Dec-15	INV
CPR/PHA/71/INV/537	Dec-15	INV
CPR/SEV/68/INS/523	Mar-15	INS
CUB/PHA/68/INV/50	Jun-15	INV
CUB/PHA/71/TAS/51	Mar-15	TAS
CUB/SEV/71/INS/52	Dec-15	INS
DOM/PHA/69/INV/53	Oct-15	INV
DOM/PHA/69/INV/54	Oct-15	INV
DRC/PHA/70/INV/37	Jul-15	INV
EGY/PHA/65/INV/113	Nov-15	INV
ELS/PHA/65/INV/29	Nov-15	INV
ELS/PHA/65/INV/30	Nov-15	INV
FIJ/PHA/71/TAS/25	Dec-15	TAS
GEO/DES/69/DEM/33	Apr-15	DEM
GEO/SEV/69/INS/34	Jun-15	INS
GHA/SEV/67/INS/36	Jan-15	INS
GUY/PHA/63/INV/21	Jan-15	INV
IDS/PHA/71/INV/198	Dec-15	INV
IDS/PHA/71/INV/199	Dec-15	INV
IDS/PHA/71/TAS/200	Dec-15	TAS
IDS/SEV/71/INS/201	Dec-15	INS
IND/PHA/71/INV/451	Dec-15	INV
IND/PHA/71/TAS/448	Dec-15	TAS
IRA/PHA/63/INV/204	Mar-15	INV
IRA/PHA/68/INV/208	Dec-15	INV
IRA/SEV/67/INS/206	Jan-15	INS
JAM/PHA/64/INV/29	Jan-15	INV
LEB/PHA/70/INV/78	Jul-15	INV
LEB/SEV/68/INS/77	Mar-15	INS
MAL/PHA/71/INV/172	Dec-15	INV
MAL/PHA/71/TAS/173	Dec-15	TAS

MAL/PHA/71/TAS/174	Dec-15	TAS
MAL/SEV/70/INS/171	Dec-15	INS
MDV/PHA/69/INV/24	Apr-15	INV
MEX/PHA/68/INV/165	Jan-15	INV
NEP/PHA/66/INV/30	Apr-15	INV
NIR/PHA/71/INV/135	Dec-15	INV
NIR/SEV/68/INS/134	Jan-15	INS
PAK/SEV/68/INS/82	Mar-15	INS
PAN/PHA/70/INV/34	Jul-15	INV
PAN/SEV/71/INS/36	Nov-15	INS
PAR/PHA/63/INV/29	May-15	INV
PER/PHA/68/INV/46	Apr-15	INV
STK/PHA/64/TAS/16	Dec-15	TAS
TRI/PHA/64/INV/26	Jan-15	INV
TRI/PHA/64/INV/27	Dec-15	INV
TRI/PHA/71/TAS/30	Dec-15	TAS
TRI/SEV/68/INS/29	Jan-15	INS
URU/PHA/68/INV/58	Jan-15	INV
URU/PHA/71/INV/59	Jun-15	INV
URU/SEV/71/INS/60	Dec-15	INS
VEN/SEV/68/INS/122	Jan-15	INS