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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-seventh Meeting  
Montreal, 28 November - 2 December 2016

**UNDP BUSINESS PLAN FOR 2017-2019**

1. This document presents the UNDP business plan for 2017-2019<sup>1</sup> and includes: the planned activities for the phase-out of ozone-depleting substances (ODS) during the 2017-2019 period; the business plan performance indicators; and recommendations for consideration by the Executive Committee. The narrative of UNDP's business plan for 2017-2019 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.

**Table 1: Resource allocation in the UNDP business plan for 2017-2019 as submitted (US \$000s)\***

Item	2017	2018	2019	Total (2017-2019)	2020	Total after 2020
<b>Required for compliance</b>						
Approved HCFC phase-out management plans (HPMPs)	5,267	15,493	1,888	22,648	2,098	2,388
HPMP stage I	42	43	8	92	0	0
HPMP stage I – additional funding preparation	60	0	0	60	0	0
HPMP stage I – additional funding	518	41	0	559	0	0
HPMP project preparation (PRP) – stage II	101	410	74	585	0	0
HPMP stage II	17,704	46,363	75,690	139,757	52,827	34,919
HPMP stage III	0	0	0	0	31,583	126,332
<b>Standard activities</b>						
Institutional strengthening (IS)	2,844	3,529	2,844	9,218	3,529	0
Core unit	2,069	2,084	2,098	6,252	2,113	0
<b>Grand total</b>	<b>28,605</b>	<b>67,962</b>	<b>82,603</b>	<b>179,170</b>	<b>92,150</b>	<b>163,639</b>

\* Including agency support cost where applicable.

<sup>1</sup> A draft business plan for 2017-2019 of UNDP was discussed at the Inter-agency coordination meeting (IACM) held in Montreal from 31 August to 1 September 2016. The business plan contained in this document has addressed the issue raised at the meeting.

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.

**Secretariat's observations on activities required for compliance**Stage I of HPMPs

3. UNDP included activities in its business plan for two countries (Mauritania and South Sudan) for which stage I of HPMPs have not yet been approved. The value included for these countries amounts to US \$92,430 for the period 2017 to 2019. The HPMP for South Sudan has been submitted to the 77<sup>th</sup> meeting<sup>2</sup>.

4. UNDP's business plan includes additional projects to stage I of HPMPs for four countries (Bolivia (Plurinational State of), Costa Rica, Cuba and Paraguay<sup>3</sup>) amounting to US \$558,623 for the period of 2017 to 2019 and one project preparation for Bolivia (Plurinational State of) amounting to US \$60,000 in 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 of HPMPs in low-volume-consuming (LVC) countries

5. The total levels of funding for stage II of HPMPs in LVC countries to reach a 35 per cent reduction in HCFC baseline consumption amounts to US \$453,445 (including US \$369,792 for the period of 2017 to 2019), and to reach a 67.5 per cent reduction amounts to US \$3.16 million (including US \$222,560 for the period of 2017 to 2019).

Stage II of HPMPs in non-LVC countries

6. The total level of funding for stage II of HPMPs for non-LVC countries is US \$223.9 million (including US \$139.17 million for the period of 2017 to 2019). The sectors' breakdown is provided in Table 2.

**Table 2: Funding distribution of stage II of HPMPs in non-LVC countries by sector (US \$000)**

Sector	2017-2019	2020	After 2020	Total	Per cent of total
Foam general	3,220	574	0	3,793	1.7
Foam rigid and refrigeration servicing	747	121	0	868	0.4
Foam, refrigeration and air-conditioning	27,887	17,330	2,179	47,396	21.2
Production of hydrocarbon-based refrigerants, extruded polystyrene and foam	6,572	0	1,502	8,075	3.6
Refrigeration servicing	3,701	1,345	1,608	6,654	3.0
Refrigeration air-conditioning	860	0	0	860	0.4
Refrigeration manufacturing (commercial and industrial)	82,139	26,220	167	108,527	48.5
Solvent	14,038	6,046	27,638	47,722	21.3
<b>Grand total</b>	<b>139,165</b>	<b>51,634</b>	<b>33,096</b>	<b>223,895</b>	<b>100.0</b>

Stage III of HPMPs in non-LVC countries

7. The total level of funding for stage III of an HPMP for one non-LVC country (China) is US \$157.92 million for after 2019 in the industrial and commercial refrigeration sector.

<sup>2</sup> UNEP/OzL.Pro/ExCom/77/63.

<sup>3</sup> A project to phase out HCFC consumption in the foam sector has been submitted to the 77<sup>th</sup> meeting, but subsequently withdrawn.

## Secretariat observations on standard activities

### IS

8. For IS activities, US \$12.75 million has been included of which US \$9.22 million is for the period of 2017 to 2019<sup>4</sup>, and US \$3.53 million is for 2020.

### Core unit costs

9. The core unit costs<sup>5</sup> are expected to increase at an annual rate of 0.7 per cent that has been agreed to-date.

## Adjustments to the UNDP business plan for 2017-2019

10. During the IACM, adjustments to the business plans of bilateral and implementing agencies were agreed based on relevant decisions of the Executive Committee. In reviewing the revised UNDP business plan for 2017-2019, the Secretariat noted that the following adjustments were not included:

**Table 3: Adjustments to the UNDP business plan for 2017-2019**

Adjustment	2017-2019 (US \$000)	2020 and after 2020 (US \$000)
Values to reflect tranches of HPMP that are due but not submitted to the 77 <sup>th</sup> meeting (Belize, Democratic Republic of the Congo (the) and Timor-Leste)	45	0
New HPMP activities (stages I and II) with submissions to the 77 <sup>th</sup> meeting to match the proposed funding level as originally submitted	12,006	100
Additional stage I of HPMP preparation	-23	0
Project preparation for stage II of HPMPs pursuant to decision 71/42	-12	0
Stage II of HPMPs in LVC countries to the maximum allowable value to achieve 67.5 per cent reduction in the HCFC baseline consumption based on decision 74/50(c)(xii)	0	-93
Stages I and II of HPMPs with phase-out exceeding the maximum eligibility for HCFC-141b (including those contained in imported pre-blended polyol)	-1,514	0

11. Table 4 presents the results of the Secretariat's proposed adjustments to the UNDP business plan for 2017-2019, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2017-2019<sup>6</sup>.

**Table 4: Resource allocation in UNDP's adjusted business plan for 2017-2019 (US \$000s)\***

Item	2017	2018	2019	Total (2017-2019)	Total 2020	Total after 2020
<b>Required for compliance</b>						
Approved HPMPs	5,312	15,493	1,888	22,693	2,098	2,388
HPMP stage I	42	60	8	110	0	0
HPMP stage I – additional funding preparation	37	0	0	37	0	0
HPMP stage I – additional funding	501	41	0	542	0	0
HPMP PRP – stage II	89	409	74	573	0	0
HPMP stage II	16,206	58,352	75,690	150,249	52,890	34,863
HPMP stage III	0	0	0	0	31,583	126,332

<sup>4</sup> In line with decision 74/51(c), to approve all IS projects and renewals at a level 28 per cent higher than the historically agreed level, with a minimum level of IS funding of US \$42,500 per year.

<sup>5</sup> UNDP's 2017 core unit cost request has been submitted to the 77<sup>th</sup> meeting (UNEP/OzL.Pro/ExCom/77/33).

<sup>6</sup> UNEP/OzL.Pro/ExCom/77/20.

Item	2017	2018	2019	Total (2017-2019)	Total 2020	Total after 2020
<b>Standard activities</b>						
IS	2,844	3,529	2,844	9,218	3,529	0
Core unit	2,069	2,084	2,098	6,252	2,113	0
<b>Grand total</b>	<b>27,101</b>	<b>79,968</b>	<b>82,603</b>	<b>189,672</b>	<b>92,213</b>	<b>163,584</b>

### Performance indicators

12. UNDP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. After several discussions, UNDP and the Secretariat agreed on the targets as shown in Table 5.

**Table 5: Performance indicators for UNDP**

Type of indicator	Short title	Calculation	2017 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	23
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	15
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$27,839,943
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	186.04 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	62
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	On time
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.

### RECOMMENDATIONS

13. The Executive Committee may wish:

- (a) To note the UNDP business plan for 2017-2019 contained in document UNEP/OzL.Pro/ExCom/77/22; and
- (b) To approve the performance indicators for UNDP as set out in Table 5 of document UNEP/OzL.Pro/ExCom/77/22.



Empowered lives.  
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**Executive Committee of the Multilateral Fund  
for the Implementation of the Montreal Protocol**

**UNDP 2017  
Business Plan  
Narrative**

77th Meeting, 28 November – 2 December 2016,  
Montreal

## *I. Introduction*

The 2017-2019 UNDP Business Plan for the Multilateral Fund for the Montreal Protocol provides the Executive Committee with estimates of the funding levels needed to achieve the 2020 and 2025 control measures for HCFCs. This narrative is based on an excel table that is included as **Annex 1** to this report. The excel table lists all the ongoing and planned UNDP activities for which funding is expected during the period 2017 through 2019. Figures are also provided for the years 2020-2030, which are mainly related to Stage I HPMP approvals, preparation funds for Stage II, and Stage II HPMP proposals. In addition, as per the recommendation from the Secretariat at the Inter-Agency meeting in September 2016, tentative estimates have been included for China's Stage III HPMP in 2020 and beyond as well.

It should also be noted that planned activities included in the 2017 column are relatively firm, while future years are indicative and are provided for planning purposes only.

In preparing this business plan, the relevant Executive Committee decisions on Business Planning, Stage I and Stage II HPMPs, and HCFC investment and demonstration projects (60/44, 71/18, 71/42, 72/20, 72/40, 73/27, 74/18, 74/50, and 74/51) as well as country requests have been taken into consideration. As agreed with the Secretariat, activities which were included in UNDP's 2016 Business Plan, but were not submitted in 2016 were reflected in the 2017 Business Plan as well.

The activities included for 2017 can be summarized as follows:

- ☐ 22 ongoing institutional strengthening activities, of which 11 will request an extension in 2017 for a combined amount of US\$ 2.8 million;
- ☐ Several HCFC-related activities, some of which have resulted directly from the approval of Stage I in the previous six years.
- ☐ One request has been included for the Stage I HPMP in Mauritania.
- ☐ Five new countries have included HCFC activities for Stage II HPMPs in 2017. This includes Angola, Bangladesh, Egypt, Nigeria, and Peru; and
- ☐ One global request for the Core Unit support cost.

Thus the expected business planning value is **US\$ 28.6 million for 2017** and **US\$ 67.9 million for 2018** (including support costs). This funding translates to the phase out of 208.0 ODP tonnes in 2017 and 544.7 ODP tonnes in 2018.

Figures for the Stage I HPMP-related activities in 2017 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 Mauritania with funding in 2017 was included. Difficulties at the national level have not allowed us to submit this Stage I HPMP yet.
3. An investment project has been included for Cuba in the air conditioning manufacturing sector in the year 2017. At the time of Cuba's HPMP approval (November 2011), the decision allowed Cuba to submit the investment project for Frioclima during this period.
4. Foam projects have been included for Costa Rica and Paraguay, based on Decisions 61/47 and 63/15, which allow a country to submit a proposal for preblended polyols at any point in time.

Figures for the new Stage II HPMP-related activities in 2017 and beyond were based on the Stage II guidelines that were approved at the 74<sup>th</sup> meeting 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, in most cases, we estimated the value of Stage II based on a calculation of up to 35% of the value of phase-out. HCFC-141b entries were prioritized in the majority of cases.
4. For LVCs that phased out 10% in Stage I, we assumed they would phase-out 35% in Stage II.
5. For those LVCs that phased out 35% in Stage I, we assumed they would phase out 67.5% in Stage II.
6. US dollar estimates were derived based on the cost-effectiveness figures agreed with the MLF Secretariat during the Inter-agency coordination meeting in August 2015.
7. 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.

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 a few countries.

## *II. Resource allocation*

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

**Table 1: UNDP 2017-2019 Business Plan Resource Allocations<sup>1</sup>**

Category	2017 Value (000's)	2018 Value (000's)	2019 Value (000's)
1a. Approved Stage I HPMP	637	1,012	352
1b. Approved Stage II HPMP	4,631	14,481	1,536
2a. Planned Stage I HPMPs	559	84	8
2b. Planned Stage I PRP	60	-	-
2c. Planned Stage II PRP	101	410	74
2d. Planned Stage II HPMP	17,704	46,363	75,690
2e. Planned Stage III HPMP	0	0	0
3. Planned Inst. Str.	2,844	3,529	2,844
4. Core	2,069	2,084	2,098
<b>Grand Total</b>	<b>28,605</b>	<b>67,962</b>	<b>82,603</b>

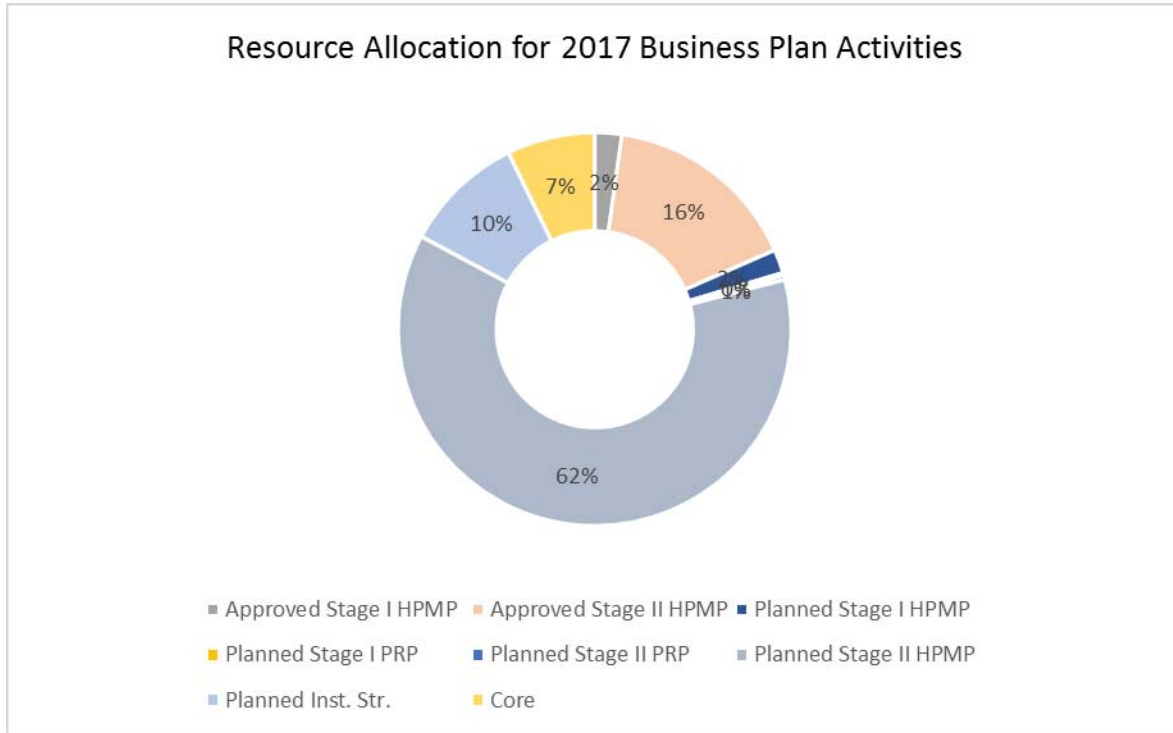
The bulk of UNDP's activities fall under HCFC phaseout, with Stage II HPMPs representing about 86% of the funding levels in 2017. Indeed with the ending of the 10% reduction target in 2015, the key priority for 2017 will be the activities towards the 2020 control measure – the 35% reduction target for HCFCs. The value for 2017 is lower than other years because the majority of larger countries' Stage II HPMPs were submitted in 2015 and 2016, with the tranches allocated for every other year.

<sup>1</sup> All values include agency support costs.





Chart 1: UNDP Resource Allocation for 2017 Business Plan Activities

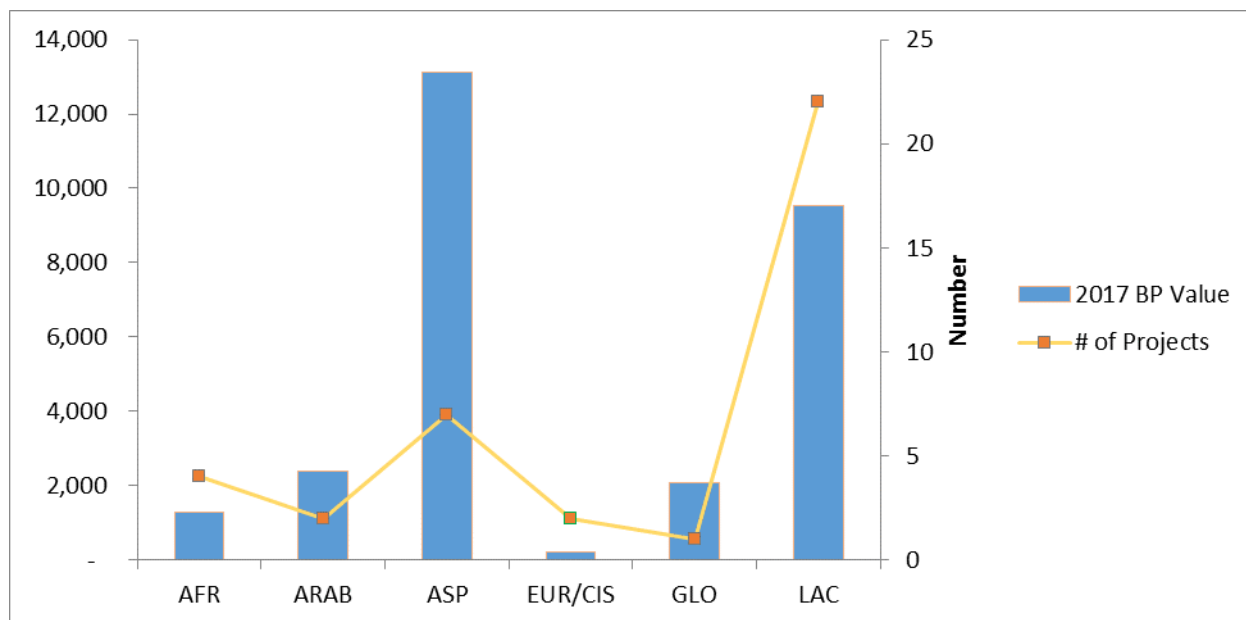


### III. Geographical distribution

The UNDP Business Plan will once again cover all the regions, with approved and new activities in 48 countries, 25 of which have funding requests in 2017. The number of activities and budgets per region for 2017 is listed in Chart 1.

It should be noted that the budget amounts are in direct correlation with the amount of ODS that a country/region consumes.

Chart 2: UNDP 2017 MYA Tranches<sup>2</sup> and New Activities per Region<sup>3</sup>



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

#### IV. Programme Expansion in 2017

##### 4.1. Background

UNDP's 2017-2019 Business Plan has mostly been developed by taking previous years' business plans into consideration, applying the relevant Executive Committee decisions on Business Planning, Stage I and Stage II HPMPs, investment and demonstration projects, and through communication with Article 5 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 31 August - 1 September 2016 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. UNDP will continue to provide technical and advisory support to all the countries assisted during Stage I, in addition to Venezuela, which UNDP wasn't involved in Stage I for.

<sup>2</sup>All values include agency support costs.

<sup>3</sup> EUR contains CIS-countries that receive MLF funding.

Coordination with other bilateral and implementing agencies. As in the past, during 2017 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.

**Table 2: Impact upon Project Approval (in ODP T)<sup>4</sup>**

Category	ODP in 2017	ODP in 2018	ODP in 2019
HCFC-141b	123.8	177.9	72.8
HCFC-22	52.8	64.1	271.6
HCFC-22/HCFC-141b	31.4	302.7	112.6
<b>Grand Total</b>	<b>208.0</b>	<b>544.7</b>	<b>456.5</b>

\*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.

#### 4.4. Non-investment projects

Also included in **Annex 1** are UNDP’s four planned non-investment projects in 2017, with a total value of more than US\$ 2.2 million, including support costs. This list excludes institutional strengthening and includes one global request under the core unit and three preparation requests.

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2017.

**Table 3: Individual Non-Investment projects (DEM/TAS) in 2017**

Agency Category	Country	Sector and Subsector	Value (\$000) in 2017
2b. Planned Stage I PRP	Bolivia	Stage I HPMP Preparation (foam)	60
2c. Planned Stage II PRP	Peru	Stage II HPMP Preparation (foam)	60
2c. Planned Stage II PRP	Democratic Republic of the Congo	Stage II HPMP Preparation	41
5. Core	Global	Core Unit Support	2,069
<b>Total</b>			<b>2,230</b>

In addition, UNDP will prepare 11 non-investment Institutional Strengthening project extensions in 2017, as indicated in the table below. The total value of IS renewal programming in 2017 is US\$ 2.8 million. An additional 11 IS renewals (Argentina, Bangladesh, China, Ghana, India, Iran, Lebanon, Nigeria, Pakistan, Sri Lanka, Venezuela) will be submitted in 2018 and are thus not shown in the table below.

**Table 4: Non-Investment Institutional Strengthening requests**

<sup>4</sup> 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”

Agency Category	Country	Sector and Subsector	Value (\$000) in 2017
3. Planned Inst. Str.	Brazil	Several Ozone unit support	481
3. Planned Inst. Str.	Chile	Several Ozone unit support	255
3. Planned Inst. Str.	Colombia	Several Ozone unit support	377
3. Planned Inst. Str.	Costa Rica	Several Ozone unit support	192
3. Planned Inst. Str.	Cuba	Several Ozone unit support	204
3. Planned Inst. Str.	Georgia	Several Ozone unit support	91
3. Planned Inst. Str.	Indonesia	Several Ozone unit support	371
3. Planned Inst. Str.	Malaysia	Several Ozone unit support	383
3. Planned Inst. Str.	Panama	Several Ozone unit support	191
3. Planned Inst. Str.	Trinidad and Tobago	Several Ozone unit support	91
3. Planned Inst. Str.	Uruguay	Several Ozone unit support	207
<b>Total</b>			<b>2,843</b>

#### 4.5. Formulation of HPMP related activities in 2017

UNDP has submitted HCFC Stage I Phase-out Management Plans for 49 countries out of 50 countries. An increased effort will be made to speed up implementation of ongoing tranches of Stage I HCFC Phase-out Management Plans and to initiate Stage II activities. In essence, the following project formulation activities will be carried out:

1. Preparing and submitting final tranches of Stage I HPMPs. 7 tranches valued at \$637,000 are expected to be submitted in 2017.
2. Preparing and submitting second tranches for already approved Stage II HPMPs (including China ICR and Solvents). 4 tranches valued at \$16.6 million is expected to be submitted in 2017.
3. Developing and submitting first tranches for Stage II HPMPs. It is expected that five countries will be submitting their Stage II HPMPs to the ExCom for its consideration in 2017.

It should be noted that UNEP and UNDP have submitted the Stage I for South Sudan in 2016 but are still working on finalizing and submitting the Stage I HPMP for Mauritania. We have been unable to submit this HPMP yet due to audit difficulties. Thus, UNDP has included the Stage I HPMP for Mauritania in its Business Plan in 2017.

#### ***V. Activities included in the Business plan that needs special consideration***

While the preceding Section 4 of this report dealt specifically with 2017 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, CO<sub>2</sub>, R-32, Ammonia, hydrocarbons, etc.) in various sectors and will be submitting new proposals in 2016 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. Pursuant to ExCom decision 72/40, UNDP is preparing additional projects to demonstrate climate-friendly and energy-efficient alternative technologies to HCFCs, and feasibility studies on district cooling. UNDP has prepared such demonstration projects for China, Colombia, Costa Rica, Dominican Republic, Egypt, Kuwait, and Maldives. Please see below the table for a detailed list of the countries, project titles, and budget amounts.

Country	Project Title	MLF Grant
China	Demonstrating ammonia semi-hermetic frequency convertible screw refrigeration compression unit in the industrial and commercial refrigeration industry	1,026,815
Colombia	HC-290 (propane) is being tested as an alternative refrigerant in commercial air-conditioning manufacturing; and validation of the use of hydrofluoro-olefins for discontinuous panels in Article 5 parties through the development of cost-effective formulations;	500,000
Costa Rica	Testing the application of an ammonia/carbon dioxide refrigeration system in replacement of HCFC-22 for the medium-sized producer and retail store of Premezclas Industriales S.A.	524,000
Dominican Republic	Feasibility study for district cooling in Punta Cana	91,743
Egypt	Demonstrating low-cost options for the conversion to non-ODS technologies in polyurethane foams at very small users;	295,000
Kuwait	Demonstrating HCFC-free low-global warming potential technology performance in air-conditioning applications; and	293,000
Maldives	Testing HCFC-free low-global warming potential alternatives in refrigeration in fisheries sector are being tested.	141,000
<b>Grand Total</b>		<b>2,871,558</b>

Finally, as per the decision of XXVI/9 of the Twenty-Sixth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer, UNDP is also conducting surveys of ODS alternatives, prioritizing the Foams, Refrigeration and Air Conditioning sectors in selected developing countries representing a balance of size and regional spread in order to: establish the market penetration of current commercially available alternatives, in terms of supply chain and costs, performance and environmental impact; and identify emerging alternatives, in terms of their expected market introduction and availability, performance and projected costs. ODS alternative surveys have been approved with MLF funding for Bangladesh, Costa Rica, Cuba, Dominican Republic, El Salvador, India, Iran, Lebanon, Moldova, Panama, Paraguay and Peru.

## VI. Policy Issues

There are no policy issues to be highlighted.

## VII. 2017 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 “2017 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2017 business plan to be approved at the 77th ExCom meeting in November 2017. 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 2017	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	19	7 Stage I tranches, 2 Stage II tranches, 4 planned Stage I tranches, and 6 planned Stage II planned tranches
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	15	11 IS, 1 TAS, 3 PRP
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	27,839,943	As determined by the 2015 Progress Report.
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	207.97	ODS Phaseout associated with 19 tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	70% of those due	As determined by the 2015 Progress Report.
Administrative	The extent to which projects are financially completed 12 months after project completion	10	70% of those due	As determined by the 2015 Progress Report.
Administrative	Timely submission of project completion reports vs. those agreed	5	70% of those due	TBD
Administrative	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time	TBD

\* 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 77<sup>th</sup> 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**

Country	Title
<i>Stage I</i>	
Barbados	Stage I HPMP
Brunei Darussalam	Stage I Investment proj./Sector Plans (Servicing Sector)
Costa Rica	Stage I HPMP
Georgia	Stage I HPMP
Lebanon	Stage I HPMP
Peru	Stage I HPMP
Trinidad and Tobago	Stage I HPMP
Costa Rica	Stage I HPMP (foam sector)
Cuba	HCFC-INV: AC Manufacturing
Mauritania	Stage I HPMP
Paraguay	Stage I HPMP (foam)
<i>Stage II</i>	
Angola	Stage II HPMP (servicing)
Bangladesh	Stage II HPMP
Brazil	Stage II HPMP
China	Stage II Investment proj./Sector Plans (ICR/Solvents)
Egypt	Stage II HPMP
Nigeria	Stage II HPMP
Peru	Stage II HPMP
Venezuela	Stage II HPMP

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

Country	Title
<i>Project Preparation</i>	
Bolivia	Stage I HPMP Preparation (foam)
Peru	Stage II HPMP Preparation (foam)
DRC	Stage II HPMP Preparation
<i>Institutional Strengthening</i>	
Brazil	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
Trinidad and Tobago	Several Ozone unit support
Uruguay	Several Ozone unit support
<i>Technical Advisory Services</i>	
Global	Core Unit Support

**Table 3: ODS phase-out for tranches**

Country	Title	ODP phased out
Angola	Stage II HPMP (servicing)	1.79
Bangladesh	Stage II HPMP (air conditioning)	2.11

Bangladesh	Stage II HPMP (servicing)	0.30
Barbados	Stage I HPMP	0.18
Bolivia	Stage I HPMP Preparation (foam)	0.00
Brazil	Stage II HPMP	53.26
Brunei Darussalam	Stage I Investment proj./Sector Plans (Servicing Sector)	0.22
China	Stage II Investment proj./Sector Plans (ICR Sector Plan)	34.54
China	Stage II Investment proj./Sector Plans (Solvents Sector Plan)	30.46
Costa Rica	Stage I HPMP	1.74
Costa Rica	Stage I HPMP (foam sector)	4.07
Cuba	HCFC-INV: AC Manufacturing	1.21
Egypt	Stage II HPMP (HC production, XPS and foam)	27.91
Georgia	Stage I HPMP	0.56
Lebanon	Stage I HPMP	1.23
Mauritania	Stage I HPMP	0.92
Nigeria	Stage II HPMP (foam)	8.43
Nigeria	Stage II HPMP (servicing)	6.70
Paraguay	Stage I HPMP (foam)	1.65
Peru	Stage I HPMP	0.33
Peru	Stage II HPMP (servicing)	2.69
Peru	Stage II HPMP (foam)	22.00
Trinidad and Tobago	Stage I HPMP	1.77
Venezuela	Stage II HPMP	3.91