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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-second Meeting  
Montreal, 3-7 December 2018

**UNEP BUSINESS PLAN FOR 2019–2021**

1. This document presents the UNEP business plan for 2019–2021<sup>1</sup> and includes: the planned activities for the phase-out of controlled substances under the Montreal Protocol (controlled substances) during the 2019–2021 period; the business plan performance indicators; and a recommendation for consideration by the Executive Committee. The narrative of UNEP’s business plan for 2019–2021 is attached to the present document.

**Planned activities during 2019–2021**

2. Table 1 sets out, by year, the value of activities included in UNEP’s business plan.

**Table 1: Resource allocation in the UNEP business plan for 2019–2021 as submitted (US \$000s)\***

	2019	2020	2021	Total (2019–2021)	Total after 2021
<b>Required for compliance</b>					
Approved HCFC phase-out management plans (HPMPs)	7,183	7,485	3,681	18,348	1,941
HPMP project preparation (PRP) - stage II	927	28	45	1,000	68
HPMP stage II	844	4,812	2,541	8,197	14,139
HPMP PRP - stage III	0	268	0	268	0
HPMP stage III	0	97	0	97	97
<b>Required for compliance subtotal</b>	<b>8,954</b>	<b>12,690</b>	<b>6,267</b>	<b>27,911</b>	<b>16,245</b>
<b>HFC activities</b>					
HFC - enabling activities	845	0	0	845	0
<b>HFC activities subtotal</b>	<b>845</b>	<b>0</b>	<b>0</b>	<b>845</b>	<b>0</b>
<b>Standard activities</b>					
Institutional strengthening (IS)	6,795	4,616	6,880	18,291	0

<sup>1</sup> A draft business plan for 2019–2021 of UNEP was discussed at the Inter-agency coordination meeting (IACM) held in Montreal from 4 to 6 September 2018. The business plan contained in this document has addressed the issues 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.

	2019	2020	2021	Total (2019–2021)	Total after 2021
Compliance Assistance Programme (CAP)	11,301	11,640	11,989	34,929	0
<b>Standard activities subtotal</b>	<b>18,096</b>	<b>16,256</b>	<b>18,869</b>	<b>53,221</b>	<b>0</b>
<b>Grand total</b>	<b>27,895</b>	<b>28,946</b>	<b>25,136</b>	<b>81,977</b>	<b>16,245</b>

\* Including agency support cost where applicable.

## Secretariat's comments on activities required for compliance

### Stage II of HPMPs

3. The total levels of funding for stage II of HPMPs in low-volume-consuming (LVC) countries to meet a 35 per cent reduction of the HCFC baseline amount to US \$198,168 (including US \$125,068 for 2019–2021), and to meet a 67.5 per cent reduction amount to US \$14.38 million (including US \$5.81 million for 2019–2021).

4. The total level of funding for stage II of HPMPs in non-LVC countries amounts to US \$7.76 million including US \$2.26 million for 2019–2021.

### HFC-related activities

5. UNEP's business plan included enabling activities for HFC in six countries in the amount of US \$845,300 in 2019. All of these activities were submitted with the required letter from the government concerned indicating its intent to make best efforts to ratify the Kigali Amendment as early as possible, if it has not done so, in line with decision 79/46(d)(i).

### CAP

6. The cost for CAP is expected to increase at an annual rate of 3 per cent as agreed. The total level of funding for CAP is US \$34.93 million for 2019–2021. UNEP submitted a three-year rolling strategy for its CAP for 2019–2021 for consideration at the 82<sup>nd</sup> meeting in the context of its CAP budget request for 2019<sup>2</sup>.

## Proposed adjustments by the Secretariat

7. 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 UNEP business plan for 2019–2021, the Secretariat noted that the following adjustments were not included:

**Table 2: Adjustments to the UNEP business plan for 2019–2021 (US \$000)**

Adjustment	2019–2021	After 2021
HPMP values to reflect the actual amounts approved under the agreements including tranches of HPMP that were not submitted to the 82 <sup>nd</sup> meeting	24	0
PRP for stage II of HPMPs pursuant to decision 71/42	(0.5)	(34)
Stage II of HPMPs in LVC countries to the maximum allowable value to meet 35 or 67.5 per cent reductions in the HCFC baseline based on decision 74/50(c)(xii)	(27)	(63)
Stage III of HPMPs and PRP pursuant to decision 80/34(c)(iii)a.	(366)	(97)

<sup>2</sup> UNEP/OzL.Pro/ExCom/82/37.

8. Table 3 presents the results of the Secretariat's proposed adjustments to the UNEP business plan for 2019–2021, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2019–2021<sup>3</sup>.

**Table 3: Resource allocation in UNEP's adjusted business plan for 2019–2021 (US \$000s)\***

	2019	2020	2021	Total (2019–2021)	Total after 2021
<b>Required for compliance</b>					
Approved HPMPs	7,206	7,485	3,681	18,372	1,941
HPMP PRP - stage II	926	28	45	1,000	34
HPMP stage II	844	4,798	2,527	8,170	14,076
HPMP PRP - stage III	0	0	0	0	0
HPMP stage III	0	0	0	0	0
<b>Required for compliance subtotal</b>	<b>8,977</b>	<b>12,311</b>	<b>6,254</b>	<b>27,542</b>	<b>16,051</b>
<b>HFC activities</b>					
HFC - enabling activities	845	0	0	845	0
<b>HFC activities subtotal</b>	<b>845</b>	<b>0</b>	<b>0</b>	<b>845</b>	<b>0</b>
<b>Standard activities</b>					
IS	6,795	4,616	6,880	18,291	0
CAP	11,301	11,640	11,989	34,929	0
<b>Standard activities subtotal</b>	<b>18,096</b>	<b>16,256</b>	<b>18,869</b>	<b>53,221</b>	<b>0</b>
<b>Grand total</b>	<b>27,918</b>	<b>28,567</b>	<b>25,123</b>	<b>81,607</b>	<b>16,051</b>

\* Including agency support cost where applicable.

### Performance indicators

9. UNEP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. The Secretariat informed UNEP of the targets shown in Table 4.

**Table 4: Performance indicators for UNEP for 2019**

Type of indicator	Short title	Calculation	2019 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	40
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	94
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$23,851,129
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	174.9 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	75
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	18
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	109
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.

<sup>3</sup> UNEP/OzL.Pro/ExCom/82/25.

10. Table 5 presents UNEP’s performance indicators for its CAP, which were adopted in decision 48/7(e).

**Table 5: Performance indicators for UNEP’s CAP for 2019**

<b>Performance Indicator</b>	<b>Data</b>	<b>Assessment</b>	<b>2019 target</b>
Efficient follow-up to regional network/ thematic meetings	List of recommendations emanating from 2017-2018 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2019	90% implementation rate
Effective support to NOUs in their work, particularly guidance to new NOUs	List of innovative ways/means/products/ services for supporting NOUs in their work, with specification of those destined for new NOUs	Number of innovative ways, means, products, services for supporting NOUs in their work, with specification of those destined for new NOUs	- 7 such ways, means, products, services. -All new NOUs receive capacity building support.
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries
Innovations in production and delivery of global and regional information products and services	List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	7 such products and services
Close cooperation between CAP regional teams and implementing and bilateral agencies working in the regions	List of joint missions/ undertakings of CAP regional staff with implementing and bilateral agencies	Number of joint missions/undertakings	3 in each region

## RECOMMENDATION

11. The Executive Committee may wish:

- (a) To note the UNEP business plan for 2019–2021 contained in document UNEP/OzL.Pro/ExCom/82/28; and
- (b) To approve the performance indicators for UNEP as set out in Tables 4 and 5 of document UNEP/OzL.Pro/ExCom/82/28.

# UN ENVIRONMENT 2019-2021 BUSINESS PLAN

PRESENTED TO THE  
82<sup>ND</sup> MEETING OF THE EXECUTIVE COMMITTEE  
OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION  
OF THE MONTREAL PROTOCOL

8 OCTOBER 2018





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## EXECUTIVE SUMMARY

The UN Environment (UNEP) is submitting this document for the consideration to the 82<sup>nd</sup> meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. The document presents UN Environment's three-year rolling Business Plan for its Montreal Protocol-related activities covering the years 2019-2021. It comprises:

- Narrative.
- Annex I: Projects planned for submission.

The focus and orientation of UN Environment's work under this Business Plan continues to be defined by the evolving needs of countries operating under Article 5 of the Protocol ("Article 5 countries") as they progress in their implementation of the Montreal Protocol, and as they meet and sustain compliance with specific obligations. Through the activities identified in this Business Plan, UN Environment will assist the countries with implementing their HCFC phase-out responsibilities including preparing for the 2020 target and subsequent reduction steps, strengthening the government institutions in Article 5 countries responsible for implementing and reporting on their national strategies to comply with the Montreal Protocol, and sustaining Article 5 countries' compliance with ozone depleting substance (ODS) phase out targets already met. This Business Plan will also assist Article 5 countries to ratify the Kigali Amendment as soon as possible and to support activities that the countries need to meet the first obligations of the Kigali Amendment after ratification.

UN Environment will achieve its Business Plan objectives by a combination of compliance assistance services delivered through the 2019 Compliance Assistance Programme (CAP),<sup>1</sup> as well as the ongoing and planned national, regional and global projects detailed in this document. The project services include preparation and implementation of HCFC Phase out Management Plans (HPMPs) for both Stages I and II, Institutional Strengthening projects, Enabling Activity projects, and technical assistance. In addition to the anticipated Business Plan activities, UN Environment will implement HPMP verification projects as and when requested by the Executive Committee during the course of 2019-2021.

UN Environment will deliver the projects in this Business Plan and perform the project development, monitoring and reporting duties required of all Implementing Agencies through the proposed 2019 CAP Work Programme and Budget. In addition to the projects detailed in this Business Plan, UN Environment continues to assist several bilateral agencies with the implementation of their Multilateral Fund projects through CAP and also engages in select partnerships for Montreal Protocol objectives complementary to the Multilateral Fund (including projects and activities).<sup>2</sup>

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<sup>1</sup> In addition to the projects indicated in this Business Plan, during 2019 UN Environment will also provide through its CAP country-specific special compliance services, the operation of 10 Regional/sub-Regional Networks of Ozone Officers, facilitation of South-South cooperation, assistance with regional awareness activities, and provision of a global tools and products that provides National Ozone Units with services that contribute towards HCFC phase out and HFC phase down.

<sup>2</sup> This Business Plan provides details about the individual *projects* proposed for UN Environment implementation from 2019 through 2021. UN Environment will report details on its performance with implementing the projects through its UN Environment's Annual and Financial Progress Report. For details about *non-project-related* activities and services delivered by UN Environment through the CAP, please refer to the 2019 CAP Work Programme and Budget submitted to this same meeting.



UN Environment is planning project submissions over the next three years as follows: US\$ 27,894,888 for 2019, US\$ 28,946,030 for 2020, and US\$ 25,136,165 for 2021, all inclusive of the respective annual CAP budgets and programme support costs (PSC).

For 2019, UN Environment will prepare and submit 135 individual projects to the Executive Committee, including new projects, planned tranches of previously-approved multi-year agreements (MYAs), and the annual CAP Work Programme and Budget for the year 2020.

## **I. METHODOLOGY**

This section describes the methodology, consultations, guidance and inputs UN Environment used when developing this Business Plan. UN Environment has:

- Consulted with National Ozone Officers in Article 5 countries during the first half of 2018 on their countries' business planning needs, through dialogues during meetings of Regional Networks of Ozone Officers, as well as via direct contact with Ozone Officers.
- Reviewed and drawn on experiences gained from implementation of its 2018-2020 Business Plan,<sup>3</sup> taking into account new trends and emerging developments.
- Considered the programmatic direction and activities included in its approved 2018 CAP Work Programme and Budget.<sup>4</sup>
- Followed the guidance provided by the Multilateral Fund Secretariat during the two Inter-Agency Coordination Meetings of 2018 (6 – 8 March and 4 – 6 September).
- Consulted with the other Implementing Agencies and bilateral agencies to increase collaborative and mutually-supportive initiatives and to avoid duplication of effort.
- Considered applicable Executive Committee decisions as guidance for this Business Plan.

## **II. MULTILATERAL FUND TARGETS**

### **A. OBJECTIVES OF THE THREE-YEAR BUSINESS PLAN**

The focus and orientation of UN Environment's work continues to be defined by the evolving needs of Article 5 countries as they progress in their implementation of the Montreal Protocol, as they meet and sustain compliance with specific obligations, and, following the decisions taken at the 28<sup>th</sup> Meeting of the Parties in 8-14 October 2016, take the steps necessary to ratify the Kigali Amendment and lay the groundwork for its future implementation.

UN Environment's proposed 2019 CAP Work Programme and Budget submitted for the consideration of the 82<sup>nd</sup> Executive Committee meeting details UN Environment's vision and approach for CAP during the 2019-2021 period, in synch with this period covered by this Business Plan. Under that approach, UN Environment will provide assistance to Article 5 countries according to four overarching objectives:

- Overarching Objective 1: Assisting countries to comply with their HCFC phase out commitments and sustaining compliance with prior targets.
- Overarching Objective 2: Strengthening the Refrigeration Servicing Sector for ozone- and climate-friendly alternatives.

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<sup>3</sup> UNEP/OzL.Pro/ExCom/80/19.

<sup>4</sup> UNEP/OzL.Pro/ExCom/80/28.

- Overarching Objective 3: Building capacity to initiate enabling activities for the HFC phase down.
- Transversal Overarching Programme Objective 4: Leveraging the Clearinghouse mandate.

## B. RESOURCE ALLOCATION

During this Business Plan period, UN Environment plans to prepare and submit for approval the projects as detailed in Annex I: Projects planned for submission 2019-2021. UN Environment's proposed resource allocation plan for these projects is as follows:

Project	Type	Value (US\$ inclusive of PSC)			Total 2019-2021
		2019	2020	2021	
HPMP Stage I implementation	PHA	2,422,603	2,835,911	118,650	5,377,164
HPMP Stage II preparation	PRP	926,600	28,250	45,200	1,000,050
HPMP Stage II implementation	PHA	5,604,551	9,460,406	6,103,265	21,168,222
HPMP Stage III preparation	PRP	0	268,488	0	268,488
HPMP Stage III implementation	PHA	0	97,241	0	97,241
Institutional Strengthening	INS	6,795,085	4,615,962	6,880,085	18,291,132
Enabling Activities	TAS	845,300	0	0	845,300
Compliance Assistance Programme	TAS	11,300,749	11,639,772	11,988,965	34,929,486
<b>Grand total</b>		<b>27,894,888</b>	<b>28,946,030</b>	<b>25,136,165</b>	<b>81,977,083</b>

## III. PLANNED BUSINESS PLAN ACTIVITIES

This section describes costed projects at the national, regional and global levels in the 2019-2021 period proposed by UN Environment. All of the projects are included in Annex I.

### A. NATIONAL LEVEL

Through this Business Plan, UN Environment plans to deliver the following projects at the national level:

- HPMP project preparation and implementation. UN Environment will assist 31 countries with Stage II and 2 countries with Stage 3 preparation in accordance with Executive Committee policies and guidelines. UN Environment will also assist countries with the implementation of the non-investment components of the HPMPs (both Stages I and II), in cooperation with other Implementing Agencies and bilateral agencies. In total, during this Business Plan UN Environment will be the HPMP Lead Agency for 74 countries and Cooperating Agency for 29 countries.
- Institutional Strengthening projects. UN Environment provides 104 countries with ongoing technical assistance and administrative support for the implementation of their IS projects, including the submission of IS renewals and assistance with activities covered by these projects. UN Environment will submit such projects as per the appropriate timing and when all the necessary pre-conditions have been met (e.g. disbursement rate, reporting obligations). This service is performed as part of CAP services, with 0% PSC to UN Environment.
- Enabling Activities. This Business Plan includes 6 Enabling Activities projects as per Executive Committee Decision 79/46(d)(iv). In line with that decision, the proposed projects will facilitate

and support Article 5 countries to ratify the Kigali Amendment as soon as possible and to support activities that the countries need to meet the first obligations of the Kigali Amendment after ratification. All endorsement letters from the respective Governments are submitted to the Multilateral Fund Secretariat on time.

## **B. REGIONAL LEVEL**

Through this Business Plan, UN Environment plans to deliver the following projects at the regional level:

- Regional HCFC Phase-out Management Plan Stage II of 12 Pacific Islands (Cook Islands, Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu)

## **C. GLOBAL LEVEL**

UN Environment does not plan to submit any new global projects during the 2019-2021 period.

## **D. NEW PROJECT TYPES**

UN Environment does not plan to submit any new type of projects during the 2019-2020 period.

## **IV. PERFORMANCE INDICATORS**

UN Environment expects that the services, activities and projects identified in the proposed 2019-2021 Business Plan and 2019 CAP Work Programme and Budget will result in:

- Improved capabilities and technical skills of NOUs staff to effectively carry out approved phase-out programmes and thus ensure sustained compliance;
- Countries in non-compliance received necessary support enabling swift return to compliance;
- Increased high level political commitment to the ozone agreements;
- HCFC phase-out obligations mainstreamed into national environmental strategies/policies;
- Timely and efficient HCFC phase out due to HPMP implementation and clearinghouse services;
- Increased number of Parties to the Kigali Amendment and preparatory enabling activities initiated in those countries;
- Enhanced awareness of users and other relevant stakeholders of forthcoming reductions in HCFC supply and availability of viable alternatives;
- All client countries reported Article 7 and Country Programme data by established deadlines and quality of reported data improved;
- Improved HCFC and HFC-related policy instruments;
- Efficient operation and enforcement of HCFC licensing and quota systems;
- NOUs provided with best available information that enable them to make decisions on alternative technologies, sound approaches and methodologies;
- Broadened and strengthened regional cooperation in the implementation of the ozone treaties;
- Increased number of countries benefiting from direct country-to-country assistance;
- Concerted actions taken at national and regional levels to combat illegal trade in HCFC;
- Improved access to HCFC-related technical information and enhanced experience exchange;
- Indirect support provided for the implementation of investment projects through strengthened institutional and legal frameworks.

UN Environment proposes to adopt performance indicators for 2019 in line with Decision 80/37 and the guidance received during the two Inter-Agency Coordination Meetings of 2018 (6 – 8 March and 4 – 6 September).

TABLE 1: PERFORMANCE INDICATORS APPLICABLE TO ALL AGENCIES

Type of Indicator (Existing, Modified, New)	Short Title	Calculation	UN Environment proposal for 2019
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	39
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	94
Implementation	Funds disbursed	Based on estimated disbursement in progress report US	11,903,195
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	58.5
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	46
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	18
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.

TABLE 2: PERFORMANCE INDICATORS APPLICABLE TO UN ENVIRONMENT'S COMPLIANCE ASSISTANCE PROGRAMME

Performance Indicator	Data	Assessment	UN Environment's proposal for 2017
Efficient follow-up to regional network/ thematic meetings	List of recommendations emanating from 2016-2017 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2018	90% implementation rate
Effective support to NOUs in their work, particularly guidance to new NOUs	List of innovative ways/means/products/ services for supporting NOUs in their work, with specification of those destined for new NOUs	Number of innovative ways, means, products, services for supporting NOUs in their work, with specification of those destined for new NOUs	- 7 such ways, means, products, services; -All new NOUs receive capacity building support.
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential on compliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries
Innovations in production and delivery of global and	List of global and regional information products and	Number of global and regional information products and	7 such products and services

Performance Indicator	Data	Assessment	UN Environment's proposal for 2017
regional information products and services	services destined for new target audiences or that reach existing target audiences in new ways	services destined for new target audiences or that reach existing target audiences in new ways	
Close cooperation between CAP regional teams and Implementing and bilateral agencies working in the regions	List of joint missions/undertakings of CAP regional staff with Implementing and bilateral agencies	Number of joint missions/undertakings	3 in each region

**V. POLICY, ADMINISTRATIVE AND FINANCIAL ISSUES**

None.