



United Nations  
Environment  
Programme

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/84/28  
20 November 2019



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-fourth Meeting  
Montreal, 16–20 December 2019

**UNDP BUSINESS PLAN FOR 2020–2022**

1. This document presents the UNDP business plan for 2020–2022<sup>1</sup> and includes: the planned activities for the phase-out of controlled substances under the Montreal Protocol (controlled substances) during the 2020–2022 period; the business plan performance indicators; policy issues; and a recommendation for consideration by the Executive Committee. The narrative of UNDP's business plan for 2020–2022 is attached to the present document.

**Planned activities during 2020–2022**

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 2020–2022 as submitted (US \$000s)\***

	2020	2021	2022	Total (2020–2022)	Total after 2022
<b>HCFC activities</b>					
Approved HCFC phase-out management plans (HPMPs)	48,971	31,394	38,467	118,832	2,571
HPMP project preparation (PRP) – stage II	10	0	0	10	0
HPMP stage II	1,691	2,153	136	3,981	3,915
HPMP PRP – stage III	789	415	182	1,386	0
HPMP stage III	1,127	912	949	2,988	5,075
<b>HCFC activities subtotal</b>	<b>52,589</b>	<b>34,874</b>	<b>39,734</b>	<b>127,197</b>	<b>11,561</b>
<b>HFC activities</b>					
HFC – enabling activities	102	0	0	0	0
HFC phase-down plan – PRP	1,768	1,286	478	3,533	0
HFC phase-down plan	0	0	7,290	7,290	0
<b>HFC activities subtotal</b>	<b>1,870</b>	<b>1,286</b>	<b>7,768</b>	<b>10,823</b>	<b>0</b>

<sup>1</sup> A draft business plan for 2020–2022 of UNDP was discussed at the Inter-agency coordination meeting (IACM) held in Montreal from 9 to 11 October 2019. 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.

	2020	2021	2022	Total (2020–2022)	Total after 2022
<b>Standard activities</b>					
Institutional strengthening (IS)	2,931	3,456	2,931	9,317	0
Core unit	2,113	2,128	2,143	6,384	0
<b>Standard activities subtotal</b>	<b>5,044</b>	<b>5,584</b>	<b>5,073</b>	<b>15,701</b>	<b>0</b>
<b>Grand total</b>	<b>59,502</b>	<b>41,744</b>	<b>52,576</b>	<b>153,721</b>	<b>11,561</b>

\* Including agency support costs where applicable.

## Secretariat's comments

### Stage II of HPMPs

3. The total levels of funding for stage II of HPMPs in low-volume-consuming (LVC) countries to meet the 67.5 per cent reduction of the HCFC baseline amount to US \$4.98 million (including US \$2.93 million for 2020–2022), and to meet a 100 per cent reduction amount to US \$868,743 (including US \$526,820 for 2020–2022).

4. The funding distribution of stage II of HPMPs for non-LVC countries by sector is provided in Table 2.

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

Sector	2020–2022	After 2022	Total	Per cent of total (%)
Refrigeration servicing	522	1,527	2,049	100.0
<b>Total</b>	<b>522</b>	<b>1,527</b>	<b>2,049</b>	<b>100.0</b>

### Stage III of HPMPs

5. The total of US \$8.06 million is included in the business plan for stage III of HPMPs for six countries (the Dominican Republic, Lebanon, Nigeria, Panama, the Republic of Moldova and Uruguay) (including US \$2.99 million for 2020–2022). Inclusion of stage III of HPMPs in the business plan is allowed only for those countries that had stage II of an HPMP approved to meet a reduction target by 2020 (decision 82/45(c)(i)). Two of these countries have an approved stage II with reduction target beyond 2020 (Lebanon and Nigeria).

### HFC-related activities

6. HFC activities include an enabling activity (US \$101,650 in 2020 for Belize); HFC phase-down preparation activities for 19 countries amounting to US \$3.53 million in 2020–2022; and HFC phase-down management plan activities for seven countries amounting to US \$7.29 million in 2020–2022.

7. For the enabling activity, Belize has submitted the required letter from the Government indicating its intent to make best efforts to ratify the Kigali Amendment as early as possible, in line with decision 79/46(d)(i).

8. With regard to the preparation activities, funding for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of HFCs could be provided, at the earliest, five years prior to those obligations, after a country had ratified the Kigali Amendment and on the basis of guidelines to be approved in the future (decision 79/46(b)(iii)). Of the 19 countries, seven countries have not ratified the Kigali Amendment (Bangladesh, Fiji, Indonesia, Iran (Islamic Republic of), Kyrgyzstan, Lebanon and Turkey). One of the seven countries has not submitted the required letter from the Government indicating its intent to make best efforts to ratify the Kigali Amendment.

9. HFC phase-down management plan activities are included in the business plan for Costa Rica, Cuba, Ghana, Grenada, Nigeria, Panama and Viet Nam. However, there is no decision from the Executive Committee allowing countries to submit HFC phase-down management plan as only the preparatory funding is eligible according to decision 79/46(b)(iii).

#### Core unit costs

10. The core unit costs<sup>2</sup> are expected to increase at an annual rate of 0.7 per cent as agreed.

#### **Proposed adjustments by the Secretariat**

11. 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 2020–2022, the Secretariat noted that the following adjustments were not included:

**Table 3. Adjustments to the UNDP business plan for 2020–2022 (US \$000)**

<b>Adjustment</b>	<b>2020–2022</b>	<b>After 2022</b>
HPMP values to reflect the actual amounts approved under the Agreements or revised Agreement submitted to the 84 <sup>th</sup> meeting	(11,878)	12,812
Stage II of HPMP values to reflect the Agreement submitted to the 84 <sup>th</sup> meeting	(312)	453
Stage II of HPMPs in LVC countries to the maximum allowable value to meet the 67.5 per cent reduction of the HCFC baseline based on decision 74/50(c)(xii)	(4)	(6)
PRP for stage III of HPMPs pursuant to decision 71/42	(260)	225
Stage III of HPMPs pursuant to decision 82/45(c)(i)	(1,674)	(3,385)
PRP for HFC phase-down pursuant to decision 56/16(c) or countries that have not ratified the Kigali Amendment	(2,152)	0
HFC phase-down management plan pursuant to decision 79/46(b)(iii)	(7,290)	0

12. Table 4 presents the results of the Secretariat's proposed adjustments to the UNDP business plan for 2020–2022, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2020–2022.<sup>3</sup>

**Table 4. Resource allocation in UNDP's adjusted business plan for 2020–2022 (US \$000s)\***

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total (2020–2022)</b>	<b>Total after 2022</b>
<b>HCFC activities</b>					
Approved HPMPs	57,822	29,437	19,695	106,954	15,383
HPMP PRP – stage II	10	0	0	10	0
HPMP stage II	1,689	1,839	136	3,665	4,363
HPMP PRP – stage III	529	415	182	1,126	225
HPMP stage III	1,127	75	112	1,314	1,690
<b>HCFC activities subtotal</b>	<b>61,178</b>	<b>31,766</b>	<b>20,125</b>	<b>113,069</b>	<b>21,660</b>
<b>HFC activities</b>					
HFC – enabling activities	102	0	0	0	0
HFC phase-down plan – PRP	922	459	0	1,381	0
HFC phase-down plan	0	0	0	0	0
<b>HFC activities subtotal</b>	<b>1,024</b>	<b>459</b>	<b>0</b>	<b>1,381</b>	<b>0</b>

<sup>2</sup> UNDP's 2020 core unit cost request has been submitted to the 84<sup>th</sup> meeting (UNEP/OzL.Pro/ExCom/84/38).

<sup>3</sup> UNEP/OzL.Pro/ExCom/84/26

	2020	2021	2022	Total (2020–2022)	Total after 2022
<b>Standard activities</b>					
IS	2,931	3,456	2,931	9,317	0
Core unit	2,113	2,128	2,143	6,384	0
<b>Standard activities subtotal</b>	<b>5,044</b>	<b>5,584</b>	<b>5,073</b>	<b>15,701</b>	<b>0</b>
<b>Grand total</b>	<b>67,245</b>	<b>37,809</b>	<b>25,198</b>	<b>130,151</b>	<b>21,660</b>

\* Including agency support costs where applicable.

## Performance indicators

13. UNDP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. The Secretariat informed UNDP of the targets shown in Table 5.

**Table 5. Performance indicators for UNDP for 2020**

Type of indicator	Short title	Calculation	2020 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	42
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	24
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$15,618,655
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	570.2 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	70
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	70%
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	3
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.

## Policy issues

14. UNDP presents the following policy issues related to the cost guidelines for HFC phase-down under consideration by the Executive Committee, which were presented during the IACM:

- (a) Consider funding the market transformation by using the incremental operating cost in a more flexible and inclusive manner, rather than bundled with specific eligible industries;
- (b) Challenges of LVC countries in terms of the demonstration of alternative technologies and ability to scale up with limited funding available;
- (c) The assembly sub-sector in the servicing sector should be paid special attention and separated from other activities in the servicing sector with different treatment; and

- (d) In the context of the Kigali Amendment, cost-effectiveness based on CO<sub>2</sub>-equivalent should be taken into account, and the communication and synergy with the broader climate actions on the national and international levels are necessary.

**RECOMMENDATION**

15. The Executive Committee may wish:

- (a) To note the UNDP business plan for 2020–2022, contained in document UNEP/OzL.Pro/ExCom/84/28; and
  - (b) To approve the performance indicators for UNDP as set out in Table 5 of document UNEP/OzL.Pro/ExCom/84/28.
-



*Empowered lives.  
Resilient nations.*

**Executive Committee of the Multilateral Fund  
for the Implementation of the Montreal Protocol**

**UNDP 2020**

**Business Plan Narrative**

84th Meeting, 16-20 December 2019, Montreal

## ***I. Introduction***

The 2020-2022 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 and to support the early phase-down of HFCs.

It should be noted that planned activities included in the 2020 column are relatively firm, while future years are indicative and are provided for planning purposes only.

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 2020 through 2022. Figures are also provided for the years 2023-2030, which are mainly related to Stage II HPMP approvals and preparation funds for Stage III HPMPs and HFC phase-down activities, which may be requested 5 years before the first commitment (for Group 1 countries: 2024; Group 2 countries: 2028).

In preparing this business plan, the relevant Executive Committee decisions on Business Planning, Stage I and Stage II HPMPs, HCFC investment and demonstration projects, and HFC enabling activities and stand-alone investment projects (60/44, 71/18, 71/42, 72/20, 72/40, 73/27, 74/18, 74/50, 74/51, 78/3, 79/45, 79/46, and 79/47) as well as country requests have been taken into consideration. As agreed with the Secretariat, activities which were included in UNDP's 2019 Business Plan, but were not submitted in 2019 were reflected in the 2020 Business Plan as well.

The activities included for 2020 can be summarized as follows:

- Several HCFC-related activities, some of which have resulted directly from the approval of Stage I and II in the previous years worth US\$ 51 million;
- 20 countries have included new Stage II activities to meet the 2020 control target, out of which 11 countries will have funding requests in 2020;
- Stage III preparation requests for five countries (Chile, China, Colombia, Lebanon, and Malaysia) to meet the 2025 control target;
- Stage III requests for three countries (Dominican Republic, Panama and Uruguay) to meet the 2025 control target;
- HFC management preparation requests for ten countries (Costa Rica, Cuba, Ghana, Grenada, Kyrgyzstan, Lebanon, Nigeria, Panama, Turkey and Viet Nam);
- 22 ongoing institutional strengthening activities, of which 10 will request an extension in 2020 for a combined amount of US\$ 2.9 million; and
- One global request for the Core Unit support cost.

The countries' needs have been calculated based on approved HPMPs and reported HCFC baseline consumption. Most HPMPs for non-LVCs include investment projects for the conversion of manufacturing enterprises to HCFC-free alternatives.

Figures for the new Stage III HPMP activities in 2020 and beyond were based on the Stage II guidelines that were approved at the 74<sup>th</sup> meeting and on a calculation of up to 67.5% of the value of phase-out. The year of the first tranche and the duration of Stage II were determined on a country basis depending on the local context of the country. Stage III PRP was entered one to two years before the last tranche of Stage II of the HPMP is due in most cases with the exception of a few cases.

In order to estimate the funding levels for HFC preparation, since the Executive Committee has not

agreed on guidelines yet, the approved guidelines for Stage I HPMP preparation amounts ([Decision 56/16](#)) were applied, plus another 20% was added due to the complexities and challenges involved with the work ahead. Considering the high demand of cooling in developing countries, the HFC phase-down is very challenging in terms of the high growth rate in recent years and the dramatic technology changes that will be needed and requires interventions in advance to curb the growth and transform the market. In addition, the proliferation of HFC blends (some are mixtures of HCFCs + HFCs; many new products recently launched) and the difficulties of the servicing sector to handle the blends and alternatives as compared to the HCFC phaseout, among other factors, will cause the HFC phasedown to be more complicated and challenging.

Thus the expected business planning value is **US\$ 59.4 million for 2020** and **US\$ 41.7 million for 2021** (including support costs). This funding translates to the phase out of 468.7 ODP tonnes in 2020 and 235.4 ODP tonnes in 2021.

## **II. Resource allocation**

As referenced in the Introduction section, UNDP’s primary focus in 2020-2022 will be on assisting countries to meet the 2020 and 2025 HCFC control targets and supporting them for the upcoming HFC phasedown. In addition, the renewal of institutional strengthening projects is also a component of UNDP’s 2020-2022 Business Plan.

The total budget for 2020 for the above activities is US\$ 57,287,422 (including support costs) plus US\$ 2,113,147 core unit funding for UNDP. Table 1 below summarizes the resource allocation of UNDP’s 2020 Business Plan. The projects are grouped into various categories, which are described in the following summary table.

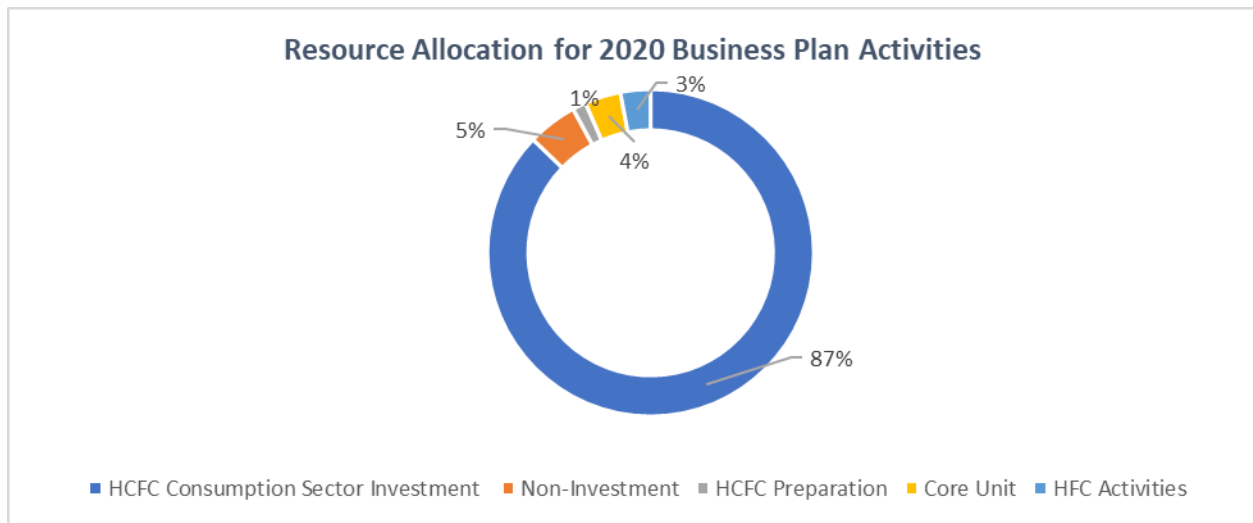
**Table 1: UNDP 2020-2022 Business Plan Resource Allocations<sup>1</sup>**

Category	2020 Value	2021 Value	2022 Value
HCFC Consumption Sector	51,789,244	34,459,070	39,552,472
Non-Investment	2,930,503	3,456,063	2,930,503
HCFC Preparation	799,300	414,900	181,900
Core Unit	2,113,147	2,127,939	2,142,835
HFC Activities	1,768,375	1,286,375	7,768,497
<b>Grand Total</b>	<b>59,400,569</b>	<b>41,744,347</b>	<b>52,576,206</b>

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



**Chart 1: UNDP Resource Allocation for 2020 Business Plan Activities**

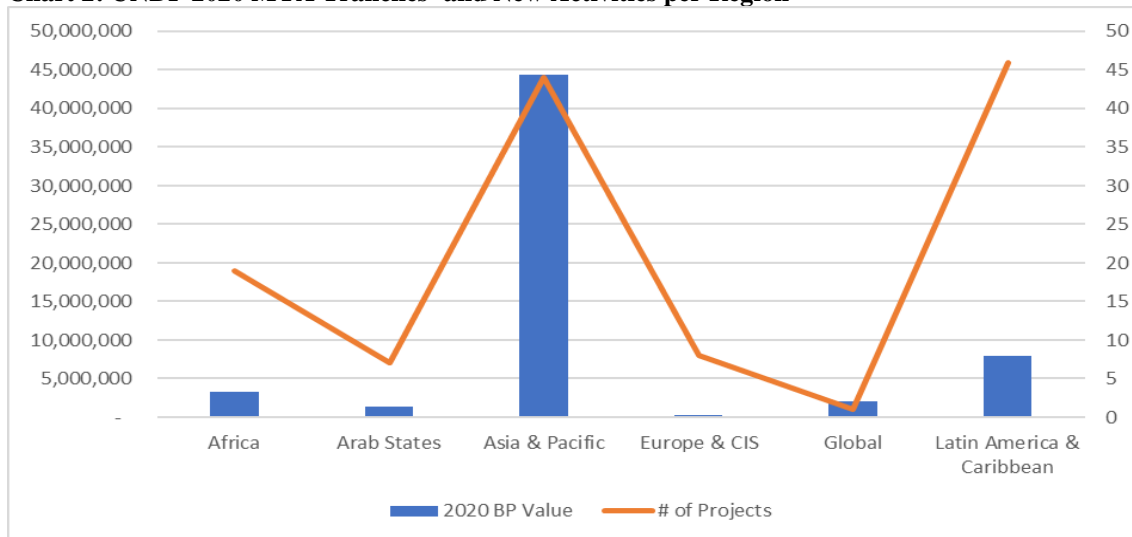


### III. Geographical distribution

The UNDP Business Plan will once again cover all five regions (Africa, Arab States, Asia Pacific, Europe & CIS, Global, and Latin America and the Caribbean), with approved and new activities in 51 countries, 40 of which have funding requests in 2020. The number of activities and budgets per region for 2020 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. The main priority areas of focus in the five regions will be Stage II and III HPMPs, preparatory assistance for Stage II and III HPMPs, preparing countries for the HFC phasedown, and institutional strengthening projects.

**Chart 2: UNDP 2020 MYA Tranches<sup>2</sup> and New Activities per Region<sup>3</sup>**



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

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

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

#### **IV. Programme Expansion in 2020**

##### **4.1. Background**

UNDP's 2020-2022 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 9-11 October 2019 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 and Stage II.

Coordination with other bilateral and implementing agencies. As in the past, during 2020, 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, including the Governments of Canada, France, Italy, and Japan.

##### **4.2. Non-investment projects**

Also included in **Annex 1** are UNDP's planned non-investment projects in 2020, with a total value of more than US\$ 4.1 million, including support costs. This list excludes institutional strengthening and includes one global request under the core unit, preparation funding and HFC activities.

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2020.

**Table 3: Individual Non-Investment projects (DEM/TAS) in 2020**

Country	Sector and Subsector	Value in 2020
Chile	Stage III HPMP Preparation	30,000
China	Stage III HPMP Preparation (ICR)	353,000
Colombia	Stage III HPMP Preparation	50,000
Costa Rica	PRP for HFC phase-down plan	176,250
Cuba	PRP for HFC phase-down plan	176,250
Ghana	PRP for HFC phase-down plan	176,250
Global	Core Unit Support	2,113,147
Grenada	PRP for HFC phase-down plan	99,875
Kyrgyzstan	PRP for HFC phase-down plan	99,875
Lebanon	Stage III HPMP Preparation (servicing)	260,000
Lebanon	PRP for HFC phase-down plan	176,250
Malaysia	Stage III HPMP Preparation (overarching)	96,300
Nigeria	PRP for HFC phase-down plan	229,125

Panama	PRP for HFC phase-down plan	176,250
South Sudan	Stage II HPMP Preparation	10,000
Turkey	PRP for HFC phase-down plan	229,125
Viet Nam	PRP for HFC phase-down plan	229,125
		<b>4,680,822</b>

In addition, UNDP will prepare 10 non-investment Institutional Strengthening project extensions in 2020, as indicated in the table below. The total value of IS renewal programming in 2020 is US\$ 2.9 million. An additional 12 IS renewals (Bangladesh, Brazil, Chile, Colombia, Costa Rica, Cuba, India, Indonesia, Malaysia, Panama, Trinidad and Tobago, Uruguay) will be submitted in 2021 and are thus not shown in the table below.

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

Country	Sector and Subsector	Value in 2020
Argentina	Institutional Strengthening	426,722
China	Institutional Strengthening	534,144
Georgia	Institutional Strengthening	90,950
Ghana	Institutional Strengthening	190,511
Iran (Islamic Republic of)	Institutional Strengthening	237,641
Lebanon	Institutional Strengthening	212,411
Nigeria	Institutional Strengthening	356,096
Pakistan	Institutional Strengthening	307,430
Sri Lanka	Institutional Strengthening	183,603
Venezuela	Institutional Strengthening	390,994
		<b>2,930,503</b>

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

While Section IV dealt specifically with 2020 activities only, section V is related to all years.

##### *HCFC Demonstration Projects*

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. R290 and R32) did not always provide a competitive solution in terms of availability of components, costs, performance and safety issues.

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 which demonstrated low GWP alternatives to HCFCs using various technologies in a number of priority sectors. Please see below the table for a detailed list of the countries, project titles, and budget amounts of these projects. The factsheets on these projects are available on the [MLF website](#).

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>

All of these projects have been completed and the final detailed reports showcasing the results of the demonstrations have been submitted to the Executive Committee.

#### *HFC Enabling Activities and Stand-alone Investment Projects*

As per ExCom decision 79/46, the Executive Committee has allowed for the submission of HFC enabling activities, which will support the early ratification of the Kigali Amendment. The activities to be implemented will support Parties in the ratification process. Countries can undertake a range of enabling activities to help their national ozone units to fulfill their initial obligations with regards to HFC phase-down, in line with the Kigali Amendment, including country-specific activities aimed at initiating support on institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production and the national strategies. UNDP is assisting 16 countries and preparing them for ratification of the Kigali Amendment. Overall, the general conclusion that can be drawn so far is that the initial 18 months allocated to undertake the tasks required under the enabling activities was not sufficient. These activities require more time than originally planned due to the need to consult an extended range of stakeholders and to review, assess and analyze the complex regulatory frameworks that starts with the ratification process in Parliaments and is extended to all pieces of legislation that currently only consider ozone depleting substances. Additionally, for some countries, the linkages of the Kigali Amendment Enabling Activities with energy-efficiency related entities is complex and needs to be built from scratch. It is critical to highlight that EA activities are country-driven actions, owned by NOUs, and for this reason, internal bureaucratic processes need to be respected in order to assure the buy-in of all stakeholders involved. As of Oct 20, 2019, among the 16 countries for which UNDP supported the EAs, 9 have ratified the Kigali Amendment.

The Executive Committee (ExCom decision 79/45) has also allowed for the preparation of stand-alone investment projects, which will support the phase-down of HFCs. Investment projects that will help to reduce the HFCs consumption at the enterprise level will be considered by the ExCom on a case-by-case basis. UNDP has assisted seven countries (Bangladesh, China, Colombia, Dominican Republic, Egypt, Mexico, and Zimbabwe) with preparing such projects. Of these countries, five countries (Bangladesh, China, Dominican Republic, Mexico and Zimbabwe) have been approved by the Executive Committee. The projects in Bangladesh and Mexico are the most advanced. In Bangladesh, the conversion of the three refrigerator lines and the compressor line are expected to be completed by the end of December 2019. In Mexico, the safety related aspects were analyzed and validated by the international expert and three

compressor manufacturing lines were sought to be converted using R-600a as the refrigerant in order to achieve optimum performance of the new refrigerators. One line of compressors was fully converted and commercial batches of R-600a compressors are already being manufactured. Adaptations and tests are currently being undertaken in the two additional lines.

**VI. General Overview on Assistance to Countries in Non-Compliance**

In UNDP’s portfolio, no country is currently in non-compliance with the HCFC phase-out schedule. All activities presented in UNDP’s business plan aim at providing assistance to Article 5 countries to comply with their obligations towards the Montreal Protocol. However, there is a risk of compliance for the 2020 reduction target for a big consumption Article 5 country, whose HPMPs have been deferred by the Executive Committee recently due to the unexpected CFC-11 issue. Some SIDS also face challenges in coming years for the HCFC-22 reduction target due to the lack of alternatives of HCFCs in the fishery sector. In some countries, the complete phase-out of HCFC-141b is coming in early 2020 as per the Agreement between the country and the Executive Committee, which requires faster implementation of the HPMP. If any risk is identified under UNDP’s portfolio, UNDP will work closely with the country concerned to resolve the challenges and bring it back to compliance and will assist them to report the required data to the Secretariat of the Multilateral Fund and the Ozone Secretariat.

In the case of the Kigali Amendment, UNDP thinks that it is time to start the preparation of HFC management plans in order to ensure compliance in 2024. UNDP will be actively supporting the Article 5 countries to apply for preparation funding in 2020 and beyond.

**VII. Policy Issues**

The cost guidelines of the HFC phase-down is yet to be established by the Executive Committee. UNDP has exchanged its views on the implementation of the Kigali Amendment during the Inter-agency coordination meeting with the Multilateral Fund Secretariat and other bilateral and implementing agencies. One key point is to consider funding the market transformation by using the incremental operating cost (IOC) in a more flexible and inclusive manner, rather than bundled with specific eligible industries. UNDP also highlighted the challenges of LVCs in terms of the demonstration of alternative technologies and ability to scale-up with limited funding available. UNDP suggests that the assembly sub-sector in the servicing sector should be paid special attention and separated from other activities in the servicing sector with different treatment.

In the context of the Kigali Amendment, UNDP believes that cost-effectiveness based on CO2-eq should be taken into account, and the communication and synergy with the broader climate actions on the national and international levels are necessary.

**VIII. 2019 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 “2020 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2020 business plan to be approved at the 84th ExCom meeting in December 2019. 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 2020	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	41	

Category of performance indicator	Item	Weight	UNDP's target for 2020	Remarks
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	27	10 IS, 1 TAS, 16 PRP
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	16,556,219	As determined by the 2018 Progress Report.
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	468.70	ODS Phaseout associated with 41 tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	81	As determined by the 2018 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 2018 Progress Report.
Administrative	Timely submission of project completion reports vs. those agreed	5	On time	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 84th ExCom, depending on which programmes are allowed to stay in the business plan at that meeting.