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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting
Montreal, 2-6 November 2020
Postponed to 8-12 March 2021¹

UNEP BUSINESS PLAN FOR 2021–2023

1. This document presents the UNEP business plan for 2021–2023² and includes: the planned activities for the phase-out of controlled substances under the Montreal Protocol (controlled substances) during the 2021–2023 period; the business plan performance indicators; policy issues; and a recommendation for consideration by the Executive Committee. The narrative of UNEP’s business plan for 2021–2023 is attached to the present document.

Planned activities during the 2021–2023 period

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 2021–2023 as submitted (US \$000s)*

Description	2021	2022	2023	Total (2021–2023)	Total after 2023
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	3,633	3,387	4,032	11,052	14,836
HPMP project preparation (PRP) – stage II	102	28	0	130	34
HPMP stage II	3,646	1,310	1,491	6,447	9,033
HPMP PRP – stage III	0	0	23	23	0
HPMP stage III	97	624	78	799	1,630
HCFC technical assistance	509	0	0	509	0
HCFC activities subtotal	7,986	5,349	5,623	18,959	25,532
HFC activities					
HFC – demonstration	57	0	0	57	0
HFC – enabling activities	268	214	0	482	0

¹ Due to coronavirus disease (COVID-19)

² Given the constraints imposed by the COVID-19 pandemic, the Secretariat’s comments on the initial submission of the UNEP business plan for 2021–2023 were addressed through bilateral discussions and numerous exchanges of electronic messages. All issues were satisfactorily addressed.

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.

Description	2021	2022	2023	Total (2021–2023)	Total after 2023
HFC phase-down plan – PRP	2,737	1,701	0	4,438	0
HFC – technical assistance	0	678	0	678	678
HFC activities subtotal	3,061	2,593	0	5,654	678
Standard activities					
Institutional strengthening (IS)	8,522	3,255	8,522	20,298	0
Compliance Assistance Programme (CAP)	11,095	11,428	11,771	34,294	0
Standard activities subtotal	19,617	14,683	20,292	54,592	0
Total	30,664	22,625	25,916	79,205	26,210

* Including agency support costs where applicable.

Secretariat's comments

Stage II of HPMPs

3. The total levels of funding for stage II of HPMPs for low-volume-consuming (LVC) countries to meet the 67.5 per cent reduction of the HCFC baseline amount to US \$6.38 million (including US \$2.29 million for 2021–2023), and to meet 100 per cent reduction amount to US \$1.06 million (including US \$514,149 for 2021–2023).

4. The total levels of funding for stage II of HPMPs for non-LVC countries amount to US \$8.04 million (including US \$3.65 million for 2021–2023).

Stage III of HPMPs

5. A total of US \$2.43 million is included in the business plan for stage III of HPMPs for four countries (Armenia, Oman, Pakistan and the Republic of Moldova) (including US \$799,033 for 2021–2023). Inclusion of stage III of HPMPs in the business plan is allowed only for those countries with an approved stage II of HPMPs with reduction targets below the 2025 compliance targets (decision 84/46(e)).

HCFC technical assistance regional project

6. UNEP has included one HCFC technical assistance regional project for “promoting low-global warming potential refrigerants for air-conditioning sectors in high ambient temperature countries (PRAHA-III),” amounting to US \$508,500 in 2021. No funding window for such demonstration project is available.

HFC-related activities

7. HFC activities include one demonstration activity in Egypt amounting to US \$56,500 in 2021, enabling activities amounting to US \$481,500 in 2021 and 2022 for three countries (Antigua and Barbuda, the Central African Republic and India), one technical assistance activity amounting to US \$1.36 million (US \$678,000 for 2021–2023) and HFC phase-down plan preparation³ for 48 countries amounting to US \$4.44 million in 2021 and 2022.

8. UNIDO has included in its business plan for 2021–2023, an investment project for the conversion of one production line of a compressor manufacturing company (ZMC) in Egypt, and UNEP has included

³ 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)). In addition, decision 84/46(f) allowed the inclusion of HFC phase-down preparation activities in the business plan for countries that had not ratified the Kigali Amendment but had submitted a letter indicating their Government's intent to make best efforts to ratify the Kigali Amendment.

a non-investment component related to policy preparation and market readiness assessment; the non-investment component is not eligible under decision 78/3(g).

9. All three countries for which enabling activities have been included, submitted the required letter from their Government indicating their intent to make best efforts to ratify the Kigali Amendment as early as possible, in line with decision 79/46(d)(i).

10. Fifteen of the 48 countries for which preparation activities for HFC phase-down have been included have not ratified the Kigali Amendment, but have submitted the required letter from their Government indicating their intent to make best efforts to ratify the Amendment.

11. UNEP has included one HFC technical assistance global project for “Twinning of Ozone Officers and National Energy Policymakers to support Kigali Amendment Objectives” which is not eligible for funding.

CAP

12. The cost for CAP is expected to increase at an annual rate of 3 per cent as agreed by the Executive Committee. The total level of funding for CAP is US \$34.29 million for 2021–2023. CAP budget for 2021 was approved at the IAP for the 86th meeting.⁴

Proposed adjustments by the Secretariat

13. The adjustments to the UNEP business plan for 2021–2023 were based on relevant decisions of the Executive Committee. Further adjustments may be required pending a decision by the Parties on the level of the replenishment of the Multilateral Fund for the 2021–2023 triennium.⁵

14. In reviewing the revised UNEP business plan for 2021–2023, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the UNEP business plan for 2021–2023 (US \$000)

Adjustment	2021–2023	After 2023
HPMP values to reflect the actual amounts approved under the Agreements	0	(0.004)
Stage II of HPMPs for LVC countries to the maximum allowable value to meet the 67.5 or 100 per cent reduction in the HCFC baseline based on decision 74/50(c)(xii)	(5)	(13)
PRP for stage III of HPMPs pursuant to decision 84/46(e)	(11)	0
HCFC technical assistance	(509)	0
HFC demonstration	(57)	0
PRP for HFC phase-down plans pursuant to decision 56/16(c)	(404)	0
HFC technical assistance	(678)	(678)
IS project for the Democratic People’s Republic of Korea pursuant to decision 80/34(c)(iii)b.	(333)	0

⁴ UNEP/OzL.Pro/ExCom/86/36

⁵ In the absence of a decision by the Parties on the level of the replenishment of the Multilateral Fund for the 2021–2023 triennium, and in light of decision XXXII/1, the indicative budget for resource allocation of the business plan for 2021–2023 was assumed at the same level of the replenishment of the 2018–2020 triennium. This issue is discussed in UNEP/OzL.Pro/ExCom/86/25.

15. Table 3 presents the results of the Secretariat’s proposed adjustments to the UNEP business plan for 2021–2023, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2021–2023.⁶

Table 3. Resource allocation in UNEP’s adjusted business plan for 2021–2023 (US \$000s)*

Description	2021	2022	2023	Total (2021–2023)	Total after 2023
HCFC activities					
Approved HPMPs	3,633	3,387	4,032	11,052	14,836
HPMP PRP – stage II	102	28	0	130	34
HPMP stage II	3,643	1,308	1,491	6,441	9,020
HPMP PRP – stage III	0	0	11	11	0
HPMP stage III	97	624	78	799	1,630
HCFC technical assistance	0	0	0	0	0
HCFC activities subtotal	7,474	5,347	5,612	18,434	25,519
HFC activities					
HFC – demonstration	0	0	0	0	0
HFC – enabling activities	268	214	0	482	0
HFC phase-down plan – PRP	2,458	1,576	0	4,034	0
HFC – technical assistance	0	0	0	0	0
HFC activities subtotal	2,725	1,790	0	4,515	0
Standard activities					
IS	8,355	3,255	8,355	19,965	0
CAP	11,095	11,428	11,771	34,294	0
Standard activities subtotal	19,450	14,683	20,126	54,259	0
Total	29,650	21,820	25,738	77,208	25,519

* Including agency support cost where applicable.

Performance indicators

16. 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 2021

Type of indicator	Short title	Calculation	2021 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	69
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	112
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$20,561,656
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	87.68 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	104
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	14 months
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time (7)

⁶ UNEP/OzL.Pro/ExCom/86/25

Type of indicator	Short title	Calculation	2021 target
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.

17. 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 2021

Performance Indicator	Data	Assessment	2021 target
Efficient follow-up to regional network/ thematic meetings	List of recommendations emanating from 2018-2019 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2020	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 noncompliance (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 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	Suspended during the COVID-19 pandemic due to UN and national travel restrictions

Policy issues

18. UNEP seeks guidance from the Executive Committee about the eligibility and guidelines for the preparation of HFC phase-down national implementation plans.

RECOMMENDATION

19. The Executive Committee may wish:

- (a) To note the UNEP business plan for 2021–2023, contained in document UNEP/OzL.Pro/ExCom/86/28; and
- (b) To approve the performance indicators for UNEP as set out in Tables 4 and 5 of document UNEP/OzL.Pro/ExCom/86/28.

UNITED NATIONS ENVIRONMENT PROGRAMME
2021-2023 BUSINESS PLAN

PRESENTED TO THE
86TH MEETING OF THE EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION
OF THE MONTREAL PROTOCOL

20 JANUARY 2021



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EXECUTIVE SUMMARY

The United Nations Environment Programme (UNEP) is submitting this document for the consideration of the 86th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. The document presents UNEP's rolling three-year Business Plan for its Montreal Protocol-related activities covering the years 2021-2023. It comprises:

- Narrative.
- Annex in excel: Projects planned for submission.

The focus and orientation of UNEP'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, UNEP will assist the countries with implementing their hydrochlorofluorocarbon (HCFC) phase-out responsibilities including preparing for the 2025 target and subsequent total phase out, 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 support activities that the countries need to meet their first obligations under the Amendment once they ratify. In relation to this, UNEP included funding in this Business Plan for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of hydrofluorocarbons (HFCs) in accordance with Executive Committee decision 79/46.

This 2021-2023 Business Plan was developed during the unprecedented COVID-19 pandemic, which began in early 2020 and is still continuing. All members of the Montreal Protocol family, including the National Ozone Units (NOUs) and the Implementing Agencies, face continuing challenges associated with the virus. Health regulations, travel restrictions, social distancing requirements, teleworking, and macroeconomic impacts have affected every aspect of this collective work, including *inter alia* data collection, project implementation, project submissions, physical meetings, and missions. Despite these daunting challenges, all Article 5 countries continue to demonstrate high-level commitment to implement the Montreal Protocol and a considerable number of projects and activities have progressed.

UNEP will apply the lessons it learned during its experience in 2020 assisting Article 5 countries under COVID-19 conditions to the future projects presented in this Business Plan. This includes provision of more online operations (e.g. virtual meetings, webinars, distance training, e-learning and digital platforms), increased communication with Ozone Officers, additional information products and services, backloading of physical meetings to the latter part of the implementation period, and collaborating with the Multilateral Secretariat and sister Implementing Agencies to identify alternative approaches to deliver projects and activities during COVID-19 conditions. UNEP will mitigate the impacts of COVID-19 on its work through a dynamic response that includes contingency planning, redesign of activities, and appropriate scheduling of work at the international, regional and national levels.

UNEP will achieve its Business Plan objectives by a combination of compliance assistance services delivered through the 2021 Compliance Assistance Programme (CAP),¹ as well as the ongoing and planned national, regional and global projects detailed in this document. The project types include:

- Preparation and implementation of HCFC Phase out Management Plans (HPMPs) for both Stages II and III;
- Institutional Strengthening projects;
- Technical assistance projects;
- Demonstration project;
- Enabling Activities projects;
- Preparation requests for HFC phase down national implementation plans.

In addition to the anticipated Business Plan activities, UNEP will implement HPMP verification projects as and when requested by the Executive Committee during 2021-2023.

UNEP 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 2021 CAP Work Programme. In addition to the projects detailed in this Business Plan, UNEP 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).²

UNEP is planning project submissions over the next three years as follows: US\$ 30,664,260 for 2021, US\$ 22,624,797 for 2022, and US\$ 25,915,874 for 2023, all inclusive of the respective annual CAP budgets and programme support costs (PSC).

For 2021, UNEP will prepare and submit 182 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 2022.

I. METHODOLOGY

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

¹ In addition to the projects indicated in this Business Plan, during 2021 UNEP 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.

² This Business Plan provides details about the individual *projects* proposed for UNEP's implementation from 2021 through 2023. UNEP 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 UNEP through the CAP, please refer to the 2021 CAP Work Programme and Budget.

- Consulted with National Ozone Officers in Article 5 countries during the year of 2020 on their countries' business planning needs, through direct contacts with Ozone Officers using electronic platforms.
- Reviewed and drawn on experiences gained from implementation of its 2020-2022 Business Plan,³ taking into account new trends and emerging developments.
- Considered the programmatic direction and activities included in its approved 2020 and 2021 CAP Work Programme and Budget.⁴
- Followed the guidance provided by the Multilateral Fund Secretariat during the last Inter-Agency Coordination Meeting in 2020 (25 – 27 February).
- 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 UNEP'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 to support them with ratification of the Kigali Amendment and laying the groundwork for its future implementation.

This Business Plan also supports the objectives set forth in the approved *2021-2023 Compliance Assistance Programme Strategy*,⁵ which details UNEP's vision and approach for CAP for this period and is synchronized with the period covered by this Business Plan. Under the strategy, UNEP will provide assistance to Article 5 countries according to four Overarching Objectives:

1. Assisting National Ozone Units and strengthening national Montreal Protocol frameworks;
2. Assisting Article 5 countries to comply with their HCFC phase-out commitments and sustaining compliance with prior targets;
3. Strengthening the refrigeration servicing sector for ozone- and climate-friendly alternatives; and
4. Promoting ratification of the Kigali Amendment and supporting implementation of the HFC phase-down.

B. RESOURCE ALLOCATION

During this Business Plan period, UNEP plans to prepare and submit for approval the projects as detailed in excel annex: Projects planned for submission 2021-2023. UNEP's proposed resource allocation plan for these projects is as follows:

³ UNEP/OzL.Pro/ExCom/84/29.

⁴ UNEP/OzL.Pro/ExCom/84/37 and UNEP/OzL.Pro/ExCom/86/36

⁵ UNEP/OzL.Pro/ExCom/86/36.

Project	Type	Value (US\$ inclusive of PSC)			Total 2021-2023
		2021	2022	2023	
HPMP Stage I implementation	PHA	1,743,273	740,726	0	2,483,999
HPMP Stage II preparation	PRP	101,700	28,250	0	129,950
HPMP Stage II implementation	PHA	5,535,430	3,956,488	5,397,489	14,889,407
HPMP Stage III preparation	PRP	0	0	22,600	22,600
HPMP Stage III implementation	PHA	97,241	623,999	203,404	924,644
HFC phase down national implementation plan preparation	PRP	2,737,425	1,700,650	0	4,438,075
Enabling Activities	TAS	267,500	214,000	0	481,500
Institutional Strengthening	INS	8,521,613	3,254,754	8,521,613	20,297,980
Technical assistance	TAS	508,500	678,000	0	1,186,500
Demonstration projects	DEM	56,500	0	0	56,500
Compliance Assistance Programme	TAS	11,095,078	11,427,930	11,770,768	34,293,776
Grand total		30,664,260	22,624,797	25,915,874	79,204,931

III. PLANNED BUSINESS PLAN ACTIVITIES

This section describes costed projects at the national, regional and global levels in the 2021-2023 period proposed by UNEP. All projects are included in excel Annex.

A. NATIONAL LEVEL

Through this Business Plan, UNEP will deliver the following projects at the national level:

- HPMP project preparation and implementation. UNEP will assist Article 5 countries with Stage II and Stage III preparation in accordance with Executive Committee policies and guidelines. UNEP will also assist countries with the implementation of the non-investment components of the HPMPs (Stages I, II and III) in cooperation with other Implementing Agencies and bilateral partners.
- Institutional Strengthening (IS) projects. UNEP provides 105 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. UNEP 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 UNEP earning 0% PSC for these projects.
- Enabling Activities. This Business Plan includes three Enabling Activities projects as per Executive Committee Decision 79/46(d)(iv). In line with that decision, the proposed projects will facilitate and support the concerned Article 5 countries to ratify the Kigali Amendment as soon as

possible and to support activities they need to meet their first obligations under the Kigali Amendment after ratification.

- Preparation of HFC phase down national implementation plans. UNEP included funding for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of HFCs according to the Executive Committee decision 79/46. For Business Planning purposes only, UNEP used the guidelines for HPMP Stage I project preparation as the basis for determining the funding eligibility for HFC phase-down project preparation as per Executive Committee decision 56/16(c). UNEP seeks guidance from the Executive Committee on this matter.
- Demonstration project component. UNEP has included one activity related to a demonstration conversion project for the Egyptian ZMC compressor manufacturing company. UNIDO is the Lead Agency and UNEP is the Cooperating Agency for this project, which will convert one production line from HFC-134a to HC-600a. UNEP will be responsible for the non-investment component related to policy preparation and assessment of market readiness.

B. REGIONAL LEVEL

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

- Regional HPMP Stage II for 12 Pacific Islands. This project supports the Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

C. GLOBAL LEVEL

- Promoting Low-Global Warming Potential Refrigerants for Air-Conditioning Sectors in High Ambient Temperature Countries (PRAHA-III). Building on the key findings and recommendations from the successful PRAHA-II project, UNEP proposes to undertake the PRAHA-III technical assistance project that will develop, inter alia (a) a tailored Risk Assessment model to help Article 5 countries better understanding the safety implications associated with deploying alternative refrigerants, either A2L or A3, considering the specifics of different types of equipment and life stages (b) a Deployment Plan for Market Acceptance for advancing lower global warming potential (GWP) alternative refrigerants and leapfrogging higher-GWP, which will be especially critical during 2020-2030 when there will be overlapped compliance commitments (c) Model enforceable refrigerant/RAC and/or updated building codes to help secure the market acceptance of A2L and A3 alternative refrigerants. Annex 1 provides further details.
- Twinning of Ozone Officers and National Energy Policymakers to support Kigali Amendment Objectives. Building on experience gained from another successful project outside of the Multilateral Fund, UNEP proposes to support the Kigali Amendment's climate protection aspirations by enabling NOUs and National Energy Policymakers to meet every other year at the regional level to share experiences, coordinate policies, and identify joint activities that will further the ozone-energy efficiency agenda. Annex 2 provides further details.

D. NEW PROJECT TYPES

- UNEP included funding for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of HFCs according to the Executive Committee decision 79/46, as described in section A above.

IV. PERFORMANCE INDICATORS

UNEP expects that the services, activities and projects identified in the proposed 2021-2023 Business Plan 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 Article 5 Parties ratifying the Kigali Amendment and/or undertaking activities required for meeting their initial obligations under the Amendment.
- Continued provision of technical support to 92 countries to implement and report on their UNEP-assisted Enabling Activity approved projects;
- 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.

UNEP proposes to adopt performance indicators for 2021 in line with Decision 82/49 and the guidance received during the last Inter-Agency Coordination Meeting of 2020 (25 – 27 February).

TABLE 1: PERFORMANCE INDICATORS APPLICABLE TO ALL AGENCIES

Type of Indicator (Existing, Modified, New)	Short Title	Calculation	UNEP proposal for 2021
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	67
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	115
Implementation	Funds disbursed	Based on estimated disbursement in progress report US	20,561,657
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	87.68
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	72
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	14
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 UNEP'S COMPLIANCE ASSISTANCE PROGRAMME

Performance Indicator	Data	Assessment	UNEP's proposal for 2021
Efficient follow-up to regional network/ thematic meetings	List of recommendations emanating from 2019-2020 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2021	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

Performance Indicator	Data	Assessment	UNEP's proposal for 2021
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	Suspended during the COVID-19 pandemic due to UN and national travel restrictions

V. POLICY, ADMINISTRATIVE AND FINANCIAL ISSUES

UNEP seeks a guidance from the Executive Committee about the eligibility and guidelines for the preparation of HFC phase down national implementation plans.

Annex 1

Promoting Low-GWP Refrigerants for Air-Conditioning Sectors in High Ambient Temperature Countries (PRAHA-III)

Background

PRAHA-I created an awareness about the challenges faced by high ambient temperature (HAT) countries and offered stakeholders in HAT countries support in building their technical knowledge of the alternatives technologies as well as practical support through the building and testing of several prototypes using lower-GWP refrigerants. In addition, PRAHA-I also helped component manufacturers, especially compressors, to start building and testing dedicated compressors for the new alternative refrigerants that can deliver sustained energy efficiency levels at HAT conditions.

The main result of PRAHA-I was that it went beyond the level of being an individual project with specific planned outcomes and outputs, and it became a PROCESS at different levels: governmental, local industry, institutional as well as for the international technology providers.

PRAHA-II was a continuation of the process with specific goals that were aligned with the findings of PRAHA-I. The two main findings of PRAHA-I was that: 1) there are viable alternatives at HAT conditions which need optimized equipment design to perform and deliver the energy efficiency minimum requirements, and 2) there is a concern about safety of the mostly flammable alternative refrigerants that calls for a special risk assessment model for the HAT countries

PRAHA-II had three main goals: 1) to build the capacity of the local industry in designing and testing products using efficient lower-GWP flammable refrigerants; 2) to evaluate and optimize the prototype built for PRAHA-I; and 3) to build a risk assessment model for the high ambient temperature countries. UNEP and UNIDO intend to keep PRAHA process alive and continuous.

Objective

Both PRAHA-I and PRAHA-II were implemented and outreached in close cooperation and coordination with the HAT countries in West Asia, however there are now 35 HAT countries as defined by the Montreal Protocol Parties at the OEWG-37 (2016) that also require assistance. Finding technically-suitable lower-GWP alternative refrigerants for HAT operating conditions has been largely answered through the first two phases of PRAHA, as well as other relevant research projects like those conducted by EGYPRA, ORNL and AREP. The main challenge for all HAT countries now is to convince markets and governments to adopt lower-GWP alternatives and ensure safe deployment of air-conditioning units operating with A2L or A3 alternative refrigerants. This can be achieved by fostering confidence in the safety and market acceptability of the alternatives.

The key findings and outcomes of PRAHA-I and PRAHA-II will shape PRAHA-III, which will focus on two main elements:

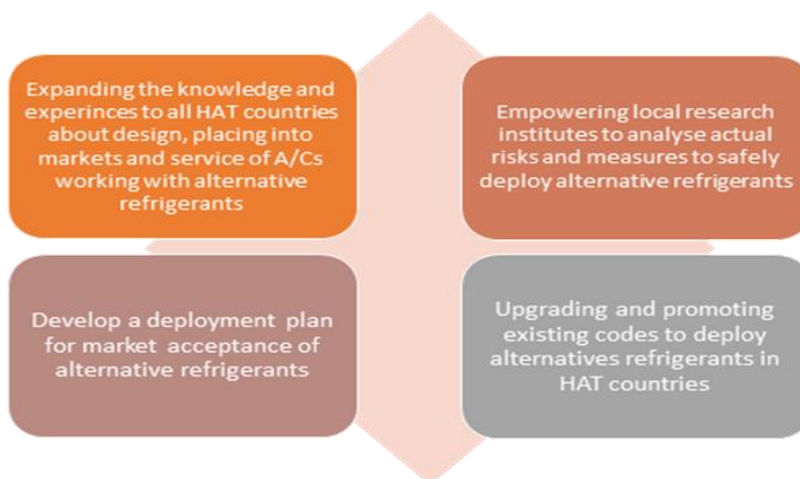
- Expanding the knowledge and services to all HAT countries; and
- Focus on addressing issues related to safe deployment of alternatives in local markets.

Proposal

The following elements will be addressed in PRAHA-III:

1. A tailored Risk Assessment is essential, not only for HAT countries, in better understanding safety implications associated with deploying alternative refrigerants, either A2L or A3, considering the specifics of different types of equipment and life stages.
2. Efforts in building risk assessment models should be exerted towards analyzing risks in the logistics side of the supply-chain i.e. installation, in-door use, outdoor use, servicing and end of life (decommissioning); understanding that design and manufacturing risk assessment are covered by relevant international standards which will be applicable to most countries, HAT or not-HAT.
3. PRAHA-II was the first step in is providing the impetus for this leapfrogging. Similarly, building the risk assessment model with the involvement of local research institutes and organizations will add depth and reach for those institutes and involve the HAT countries in the global research efforts on new alternatives as well as build countries' ownership.
4. Market acceptance strategies are becoming crucial in advancing the lower-GWP alternative refrigerants and leapfrogging higher-GWP ones, especially during the period of overlapping compliance commitments, i.e. 2020-2030. Therefore, a deployment plan for market acceptance will be a main element of PRAHA-III.
5. Model enforceable refrigerant/RAC and/or updated building codes is another critical element for securing the market acceptance of A2L and A3 alternative refrigerants. These will be developed under PRAHA-III.
6. Expanding the knowledge and experience requires a tailored approach given the diversity amongst HAT countries i.e. small vs. large and manufacturing vs. servicing only.

The figure below illustrates the key elements tentatively planned for PRAHA-III.



Annex 2

Twinning of Ozone Officers and National Energy Policymakers to support Kigali Amendment Objectives

Introduction

The Kigali Amendment entered into force on 1 January 2019. By phasing down hydrofluorocarbons (HFCs), an estimated global warming of 0.4 °C could be avoided by the end of this century. One-hundred and twelve Parties have ratified the Amendment to date, including a significant number of Article 5 countries. Other Article 5 countries are at different stages in the ratification process. The Kigali Amendment has aspirations to leverage significant climate protection benefits through the dual approach of controlling HFC production and consumption, and by maintaining or enhancing energy efficiency of equipment that uses them.

Maintaining the energy efficiency of existing refrigeration and air conditioning (RAC) equipment through best installation and servicing practices and ensuring that new equipment is energy efficient through policies could double the climate benefits of the Kigali Amendment during the transition to lower global warming potential (GWP) alternatives. Awareness-raising, training of servicing technicians, standards, and policies and regulations aimed at maintaining and enhancing energy efficiency of existing and new RAC equipment can all contribute to achieving that goal. In many countries, the two worlds of Montreal Protocol compliance and energy policy have not interacted very frequently or deeply to date. That needs to change if the climate aspirations of the Kigali Amendment are to be achieved.

The daily work of the NOUs now takes place in this new Kigali context. Their countries face critical technology and policy choices as they continue work to meet and sustain the Protocol's HCFC phase-out compliance targets, while simultaneously preparing for the HFC phase down. They increasingly need to consider refrigerants in the context of their national and regional energy efficiency policies.

Based on UNEP's experience from a project supported by another financial mechanism, twinning of National Ozone Officers and energy policy makers is needed by both groups and it helps build momentum for effective Montreal Protocol-energy efficiency policy coordination at the regional and national levels. The workshops will enable the NOUs to better understand policies, programmes and projects related to energy efficiency that are outside of the Montreal Protocol mandate (e.g. Minimum Energy Performance Standards, labelling programmes, energy policies) but which have impacts on, and implications for, Montreal Protocol compliance objectives. This type of forum for targeted interaction related to Kigali Amendment obligations is lacking, and this project seeks to address this gap.

Regional twinning workshops have strengthened the capacity of the participants from Article 5 countries about their respective programmes and reinforced (and in many cases, jump-started) the national stakeholder consultative process on the ozone-energy efficiency nexus. That momentum needs to be continued through a regular and focused mechanism linked to the Multilateral Fund.

Proposal

Under this project, UNEP will organize a Twinning workshop in each region every two years to enable NOUs and National Energy Policymakers to share experiences, coordinate policies, and identify joint activities that will further the ozone-energy efficiency agenda.

During the workshops, UNEP and its partners will provide a forum for these officials to interact with one another, and provide them with specialized training, capacity building tools, and information materials. The meetings will be held back-to-back with the Regional Network Meetings to save on travel costs for National Ozone Officers.

The requested funding will cover the travel and Daily Subsistence Allowance (DSA) of the National Energy Policymakers and small number of experts to participate. It is being requested as a separate technical assistance (TAS) project separate from the CAP since it would not be possible to do so within the existing level of CAP funding.

Similar to the previous Twinning experience mentioned earlier, an appropriate National Energy Policymaker will be identified by each of the 147 countries to participate in twinning as counterparts to the NOUs. The selection will be made with close consultation of the NOU and with inputs from the national energy ministry, regional energy efficiency agencies, etc. as appropriate.

Multilateral Fund institutions, partner organizations and at least one regional energy efficiency expert will be invited to participate in the twinning workshops to share, exchange and learn, thus creating a common knowledge-sharing platform for the wider Kigali Amendment community. The workshops will also involve cooperation with other relevant organizations and alliances (e.g. Cool Coalition) which have energy efficiency mandates will help in achieving the climate aspirations of the Kigali Amendment and enhance the work of the Montreal Protocol.

Budget

Item	Cost 2022 (US\$)	Cost 2024 (US\$)
National Energy Policymakers (NEP) - travel and DSA	360,000	360,000
International energy experts - travel and DSA	80,000	80,000
Regional energy efficiency experts - travel and DSA	50,000	50,000
Venue and Logistics	60,000	60,000
Technical documents/information materials	50,000	50,000
Total	600,000	600,000
Grand total		1,200,000