



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/88/26  
26 October 2021

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-eighth Meeting  
Montreal, 15-19 November 2021<sup>1</sup>

**UNIDO BUSINESS PLAN FOR 2022–2024**

1. This document presents the UNIDO business plan for 2022–2024<sup>2</sup> and includes: the planned activities for the phase-out of controlled substances under the Montreal Protocol (controlled substances) during the 2022–2024 period; the business plan performance indicators; and a recommendation for consideration by the Executive Committee. The narrative of UNIDO’s business plan for 2022–2024 is attached to the present document.

**Planned activities during the 2022–2024 period**

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

**Table 1. Resource allocation in the UNIDO business plan for 2022–2024 as submitted (US \$000s)\***

Description	2022	2023	2024	Total (2022–2024)	Total after 2024
<b>HCFC activities</b>					
Approved HCFC phase-out management plans (HPMPs)	11,877	18,832	2,958	33,667	33,440
HPMP project preparation (PRP) – stage II	16	29	0	45	0
HPMP stage II	3,633	5,453	6,765	15,851	37,218
HPMP PRP – stage III	120	193	0	313	0
HPMP stage III	2,702	9,114	5,948	17,763	31,044
HCFC technical assistance	482	0	0	482	0
<b>HCFC activities subtotal</b>	<b>18,829</b>	<b>33,620</b>	<b>15,671</b>	<b>68,120</b>	<b>101,701</b>
<b>HFC activities</b>					
Kigali HFC implementation plan (KIP) – PRP	1,797	1,737	0	3,533	0

<sup>1</sup> Online meetings and an intersessional approval process will be held in November and December 2021 due to coronavirus disease (COVID-19).

<sup>2</sup> Given the constraints imposed by the COVID-19 pandemic, the Secretariat’s comments on the initial submission of the UNIDO 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	2022	2023	2024	Total (2022–2024)	Total after 2024
<b>HFC activities subtotal</b>	<b>1,797</b>	<b>1,737</b>	<b>0</b>	<b>3,533</b>	<b>0</b>
<b>Standard activities</b>					
Institutional strengthening (IS)	1,535	1,374	1,535	4,443	0
Core unit	2,050	2,065	2,079	6,194	0
<b>Standard activities subtotal</b>	<b>3,585</b>	<b>3,439</b>	<b>3,614</b>	<b>10,638</b>	<b>0</b>
<b>Total</b>	<b>24,211</b>	<b>38,796</b>	<b>19,285</b>	<b>82,292</b>	<b>101,701</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 for low-volume-consuming (LVC) countries to meet the 67.5 per cent reduction of the HCFC baseline amount to US \$766,691 (including US \$471,289 for 2022–2024), and to US \$4.07 million including (US \$2.48 million for 2022–2024) to meet 100 per cent reduction.

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	2022–2024	After 2024	Total	Per cent of total (%)
Rigid foam	885	91	976	2.0
Refrigeration manufacturing	4,719	23,994	28,713	59.5
Refrigeration servicing	7,299	11,249	18,548	38.5
<b>Total</b>	<b>12,903</b>	<b>35,334</b>	<b>48,237</b>	<b>100.0</b>

### Stage III of HPMPs

5. A total of US \$48.81 million is included in the business plan for stage III of HPMPs for 12 countries (Argentina, Armenia, Brazil, Chile, Islamic Republic of Iran, Jordan, Mexico, Nigeria, Oman, Pakistan, the Philippines, and the Sudan) (including US \$17.76 million for 2022–2024).<sup>3</sup>

### HCFC technical assistance regional project

6. UNIDO 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 \$481,500 in 2022. This project was considered at the 86<sup>th</sup> meeting during which a few members expressed support for reinstating the project; however it was also pointed out that there was no funding window for such technical assistance projects and that the work required to address low to zero-GWP alternatives was outlined in decision XXVIII/2.<sup>4</sup> Subsequently, the project was not reinstated in the 2022-2024 business plan.

### HFC-related activities

7. A total of US \$3.53 million is included for KIP project preparation activities<sup>5</sup> in 2022 and 2023 for

<sup>3</sup> 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, in line with decision 84/46(e).

<sup>4</sup> UNEP/OzL.Pro/ExCom/86/100, paragraph 182

<sup>5</sup> 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

34 countries. Nineteen of these 34 countries 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.

#### Core unit costs

8. The core unit costs<sup>6</sup> are expected to increase at an annual rate of 0.7 per cent as agreed.

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

9. The adjustments to the UNIDO business plan for 2022–2024 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.<sup>7</sup>

10. In reviewing the revised UNIDO business plan for 2022–2024, the Secretariat noted that the following adjustments were not included:

**Table 3. Adjustments to the UNIDO business plan for 2022–2024 (US \$000)**

<b>Adjustment</b>	<b>2022–2024</b>	<b>After 2024</b>
HPMP values to reflect the actual amounts approved under the Agreements, including tranches of HPMPs that are due but not submitted to the 88 <sup>th</sup> meeting	198	0
HCFC technical assistance	(482)	0
PRP for stage III of HPMPs submitted to the 88 <sup>th</sup> meeting	(24)	0
PRP for KIPs pursuant to decision 87/50	(282)	0

11. Table 4 presents the results of the Secretariat’s proposed adjustments to the UNIDO business plan for 2022–2024, which are also addressed in the context of the Consolidated business plan of the Multilateral Fund for 2022–2024.<sup>8</sup>

**Table 4. Resource allocation in UNIDO’s adjusted business plan for 2022–2024 (US \$000s)\***

<b>Description</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total (2022–2024)</b>	<b>Total after 2024</b>
<b>HCFC activities</b>					
Approved HCFC phase-out management plans (HPMPs)	12,075	18,832	2,958	33,865	33,440
HPMP PRP – stage II	16	29	0	45	0
HPMP stage II	3,633	5,453	6,765	15,851	37,218
HPMP PRP – stage III	96	193	0	289	0
HPMP stage III	2,702	9,114	5,948	17,763	31,044
HCFC technical assistance	0	0	0	0	0
<b>HCFC activities subtotal</b>	<b>18,522</b>	<b>33,620</b>	<b>15,671</b>	<b>67,813</b>	<b>101,701</b>

Amendment and on the basis of guidelines to be approved in the future (decision 79/46(b)(iii)). In addition, HFC phase-down preparation activities could be included 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 (decision 84/46(f)). The guidelines for preparation of KIPs were approved at the 87<sup>th</sup> meeting (decision 87/50).

<sup>6</sup> UNIDO’s 2022 core unit costs has been submitted to the 88<sup>th</sup> meeting (UNEP/OzL.Pro/ExCom/88/35).

<sup>7</sup> 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 2022–2024 was assumed at the same level of the replenishment of the 2018–2020 triennium. This issue is discussed in the consolidated 2022–2024 business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/88/22).

<sup>8</sup> UNEP/OzL.Pro/ExCom/88/22

Description	2022	2023	2024	Total (2022–2024)	Total after 2024
<b>HFC activities</b>					
KIP – PRP	1,515	1,737	0	3,251	0
<b>HFC activities subtotal</b>	<b>1,515</b>	<b>1,737</b>	<b>0</b>	<b>3,251</b>	<b>0</b>
<b>Standard activities</b>					
IS	1,535	1,374	1,535	4,443	0
Core unit	2,050	2,065	2,079	6,194	0
<b>Standard activities subtotal</b>	<b>3,585</b>	<b>3,439</b>	<b>3,614</b>	<b>10,638</b>	<b>0</b>
<b>Total</b>	<b>23,621</b>	<b>38,796</b>	<b>19,285</b>	<b>81,702</b>	<b>101,701</b>

\* Including agency support costs where applicable.

## Performance indicators

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

**Table 5. Performance indicators for UNIDO for 2022**

Type of indicator	Short title	Calculation	2022 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	47
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	28
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$26,753,292
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans*	366.6 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	42
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	12 months after operational completion
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time (10)
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.

## RECOMMENDATION

13. The Executive Committee may wish:

- (a) To note the UNIDO business plan for 2022–2024, contained in document UNEP/OzL.Pro/ExCom/88/26; and
- (b) To approve the performance indicators for UNIDO as set out in Table 5 of document UNEP/OzL.Pro/ExCom/88/26.



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

# UNIDO BUSINESS PLAN 2022

Presented to the 88<sup>th</sup> Meeting of the Executive Committee of the Multilateral Fund

## Table of Contents

EXECUTIVE SUMMARY ..... 3

1. RESOURCE ALLOCATION ..... 5

2. GENERAL OVERVIEW ON ASSISTANCE TO COUNTRIES IN NON-COMPLIANCE..... 7

3. PROGRAMME EXPANSION ..... 8

    Africa ..... 8

    Asia and the Pacific ..... 8

    Europe ..... 8

    Latin America and the Caribbean..... 9

    Global ..... 9

4. PERFORMANCE INDICATORS ..... 10

5. INITIATIVES TO ENSURE COMPLIANCE..... 11

## EXECUTIVE SUMMARY

The 2022 Business Plan of UNIDO together with the forecast for 2023 and 2024 represents the Rolling Business Plan of Montreal Protocol activities of the Organization. Funding estimates up to 2024 and beyond have also been provided. This provides useful information for Executive Committee members on the funding needed to reach the 2025 control measures for HCFCs and beyond.

UNIDO's Business Plan was prepared based on the previous rolling business plan, taking into consideration the approvals and experience of previous years, the requests received from Article 5 countries, priorities established and the decisions taken by the Executive Committee. The Business Plan preparation took into consideration the evolving needs of Article-5 countries, especially the needs with regards to meeting the first obligations after the ratification of the Kigali Amendment. Despite the covid-19 pandemic and the limitation it has imposed on project planning and implementation, UNIDO managed to adapt some of its services in order to ensure Article-5 countries needs are met to the extent possible.

This narrative is based on an excel table that is included as Annex to this report. The excel table lists all the ongoing and planned UNIDO activities for which funding is expected during the period 2022-2024. Figures are also provided for the period after 2024.

In 2022, UNIDO will submit for approval by the Executive Committee forward commitments amounting to USD 24.2 million. New activities are focusing mainly on HCFC phase-out plans projects that amount to USD 18.8 million. In addition in 2022, UNIDO is planning to submit new activities for HFC Phase-down amounting to USD 1,796,887, including HFC related projects. As listed in the business plan, about 77 % (USD 18.69 million) of UNIDO's 2022 Business Plan is focusing on the phase out of HCFCs without accounting for the institutional strengthening projects and the preparatory funding.

The total amount foreseen in UNIDO's 2022 Business Plan, including forward commitments, new investment, non-investment activities, project preparation and funding of core unit is USD 24.2 million including support costs and with an impact of 365.3 ODP tonnes for HCFC Phase-out activities.

USD 38,795,800 worth of projects are earmarked for 2023 with an impact of 625.2 tonnes, while for 2024 USD 19,284,567 with an impact of 192.4 ODP tonnes are forecasted. These values are expected to increase as the HFC phase down plans (implementation) will start to be included following the Executive Committee guidance.

The activities included for 2022 can be presented as following:

- Tranches from approved HPMPs Stage I in four countries;
- Tranches from approved HPMPs Stage II in 12 countries;
- New HPMPs Stage II in 24 countries;
- New HPMPs Stage III in four countries;
- New phases of institutional strengthening projects in seven countries;
- HCFC phase-out management plan Stage II preparation request for one country (Central African Republic);
- HCFC phase-out management plan Stage III preparation requests for two countries (Argentina and Jordan);

## UNIDO BUSINESS PLAN 2021

---

- One request for technical assistance project PRAHA III, jointly with UNEP;
- HFC phase down preparation requests for 19 countries;
- One global request for the Core Unit support cost

Any projects submitted to, but not approved at the 87th or 88th Meeting should be added afterwards to the 2022 Business Plan.



## 1. RESOURCE ALLOCATION

In 2022, UNIDO is planning to submit USD 24.2 million worth of projects, the majority of which is focused on phase-out of HCFCs, including core unit funding in the value of about USD 2.050 million.

HCFC phase-out activities form large part of UNIDO's 2022 Business Plan. Most HPMPs for non-LVCs include investment projects for the conversion of manufacturing enterprises to HCFC-free alternatives taking into consideration new technological developments to ensure sustainable conversion of HCFC-based manufacturing enterprises.

Funding requests for the preparation of Stage II and Stage III HPMPs should be submitted two years before the last tranche of Stage I and Stage II, respectively. UNIDO made careful consideration of each country to ensure smooth implementation, without interruptions between Stage I, Stage II and Stage III activities. Based on decision 84/46(e), preparatory funding requests for HPMP Stage III were removed from the initial Business Plan submission for Afghanistan, Albania, Cameroon, Egypt, Serbia. Since countries have in their HPMP Stage II reduction target for 2025, UNIDO was not able to include the preparatory funding request in the business plan. Given that for these countries, the last year for which there is a defined reduction target is 2025, UNIDO would seek guidance on how to proceed with the preparation for the HCFC phase-out activities after 2025.

Furthermore, renewal of institutional strengthening projects also form part of UNIDO's 2022-2024 Business Plan.

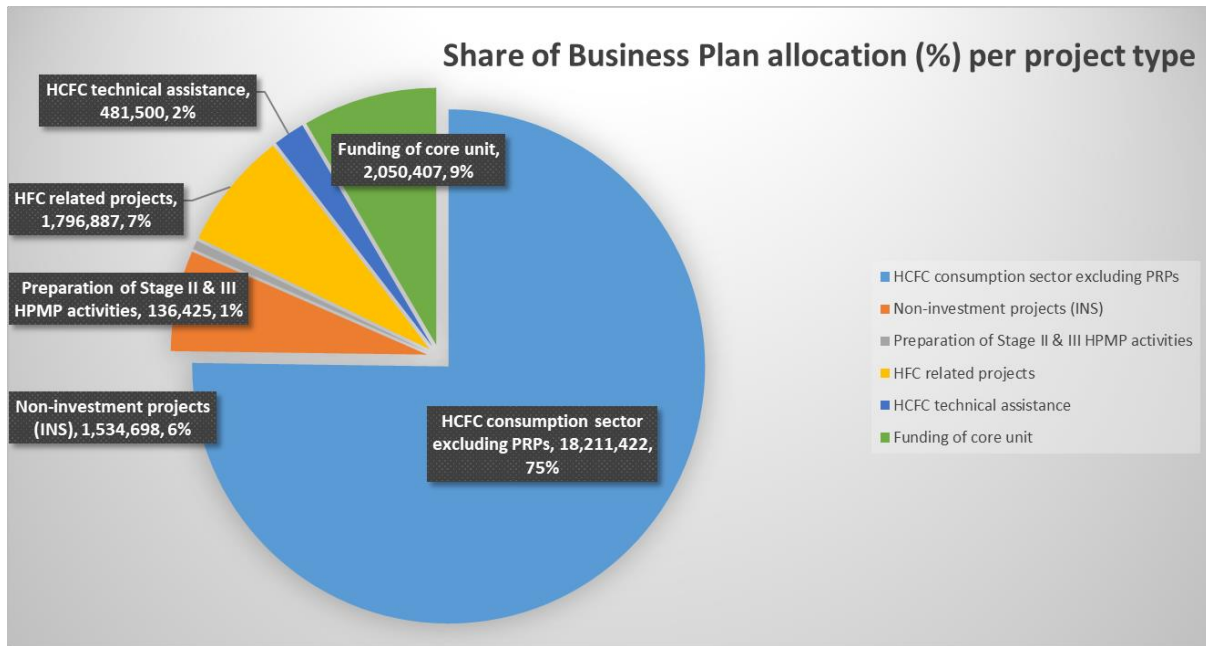
In addition, in 2022 UNIDO is planning to submit preparatory requests for HFC phase-down plans to help countries that have ratified the Kigali Amendment prepare for the first obligations.

The total budget for 2022 for the above activities is USD 24,211,340 including USD 2,050,407 core unit funding for UNIDO. Table 1 below summarizes the resource allocation of UNIDO's 2022 Business Plan.

Table 1: Resource allocation per type/sector

Type/sector	Value (\$) including support costs	Share of Business Plan allocation (%)
HCFC consumption sector excluding PRPs	18,211,422	75.22%
Non-investment projects (INS)	1,534,698	6.34%
Preparation of Stage II & III HPMP activities	136,425	0.56%
HFC related projects	1,796,887	7.42%
HCFC technical assistance	481,500	1.99%
Funding of core unit	2,050,407	8.47%
<b>Total</b>	<b>24,211,340</b>	<b>100%</b>

Figure 1: Resource Allocation for 2022 per type/sector



The details of the 2022-2024 rolling Business Plan are spelled out in the Business Plan Database.

## 2. GENERAL OVERVIEW ON ASSISTANCE TO COUNTRIES IN NON-COMPLIANCE

In UNIDO's portfolio, there is currently no country being in non-compliance with the HCFC phase-out schedule. UNIDO has been providing continuous assistance to countries that had been in non-compliance in previous years.

All activities presented in UNIDO's business plan aim at providing assistance to Article 5 countries to comply with their obligations towards the Montreal Protocol. Currently the main focus is the 67.5% reduction target by 2025 and 100% by 2030. UNIDO is ready to support countries with new HFC commitments since the entry into force of the Kigali Amendment in January 2019. Should there be any countries in non-compliance under UNIDO's responsibility, UNIDO will work closely with the countries concerned to bring them back to compliance and will assist them to report the required data to the Ozone Secretariat.

### 3. PROGRAMME EXPANSION

In the years 2022 to 2024 UNIDO aims to enhance its assistance to Article 5 countries by strengthening its project portfolio through the implementation of HCFC phase-out management plans, institutional strengthening projects, preparations of new stages of HPMPs as well as HFC phase down management plans. UNIDO plans to submit HCFC technical assistance projects. Two projects for destruction of emissions of HFC-23 generated in the production of HCFC-22 have been approved for UNIDO implementation, and UNIDO will be requesting the approved tranches in principle in line with the projects progress and agreements

UNIDO continues providing support with Stage II and Stage III HPMPs to all the countries assisted during Stage I and Stage II, respectively.

The main objective of this Business Plan is to assist Article 5 countries in meeting their obligations under the Montreal Protocol, in particular the 67.5% reduction target in 2025 and the 100% in 2030 for HCFCs.

The analysis of the activities of UNIDO's Business Plan reveals that the major share of UNIDO's MP project portfolio consists of HPMPs in different sub-sectors.

In 2022, UNIDO will continue to cover all regions (Latin America and the Caribbean, Africa, Asia and Pacific, Europe) with planned activities in various sectors and countries (including project preparation and non-investment activities).

In addition, in 2022 UNIDO is planning to submit new activities for HFC Phase-down to facilitate initial actions towards the phase down of HFC and compliance with Kigali amendment. The inclusion of the proposed projects will facilitate and support countries to meet the first obligations of the Kigali Amendment after ratification.

#### Africa

In Africa, funding requests for 30 countries, with a total value of USD 6,557,496 will be submitted in 2022. Planned projects are HPMPs, institutional strengthening projects, preparatory assistance for HFC phase-down plan and new Stages of HPMPs. UNIDO is cooperating with UNEP on several HPMPs in African countries. UNIDO is planning to submit 14 preparatory assistance requests for HFC phase-down in 2022.

#### Asia and the Pacific

In Asia and the Pacific requests for funding for seven countries with a value of USD 5,157,716 will be submitted in 2022. The main concentration will be in HPMPs Stage II & III, preparation of HPMP Stage III and institutional strengthening project.

#### Europe

In Europe, requests for seven countries with a value of USD 2,756,599 will be submitted in 2022, targeting the phase-out of HCFCs, institutional strengthening and HFC phase-down preparation.

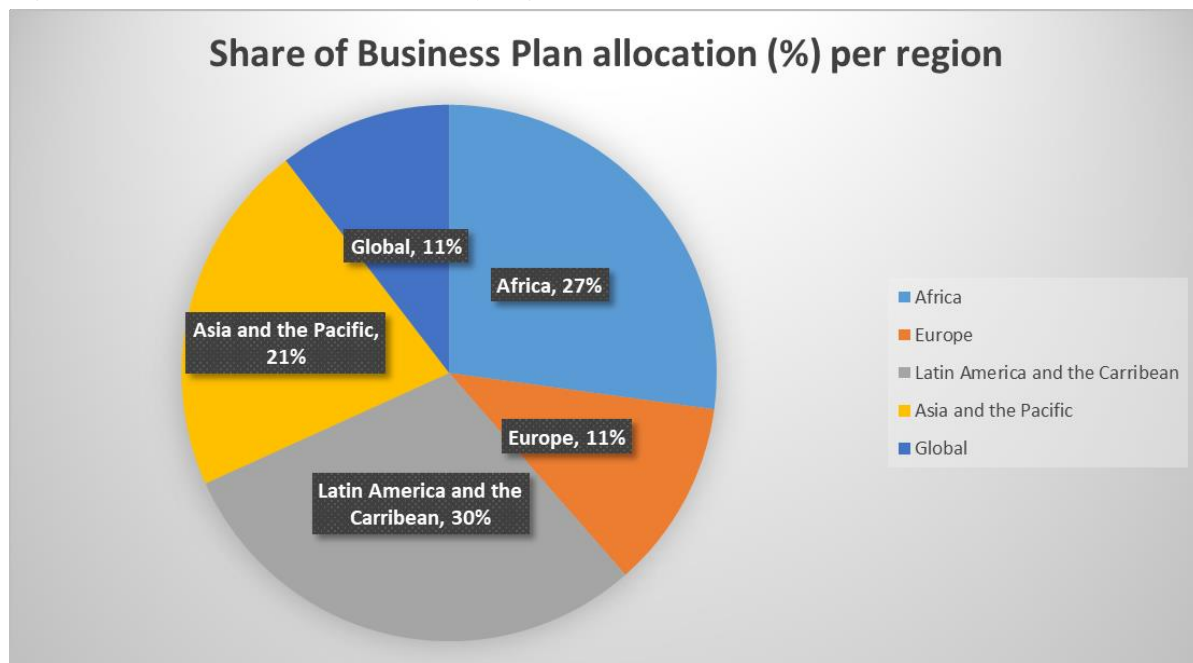
## Latin America and the Caribbean

In Latin America and the Caribbean region the planned requests to be submitted in 2022 amount to USD 7,187,622 for seven countries. This includes HPMPs and preparatory assistance for HPMPs Stage III and HFC phase – down activities.

## Global

Besides the Core Unit Budget, UNIDO plans to submit funding request for PRAHA III, together with UNEP. The planned request including support costs is in the amount of USD 481,500.

Figure 2: UNIDO’s 2022 Business Plan by Region



## 4. PERFORMANCE INDICATORS

The 71<sup>st</sup> Meeting of the Executive Committee has reviewed the performance indicators. The new weightings, based on Decision 71/28, are indicated in the below table.

Type of Indicator	Short title	Calculation	Weighting	Target 2022
Planning-- Approval	Tranches approved	Number of tranches approved vs. those planned	10	50
Planning-- Approval	Projects/ activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	10	31
	<b>Sub-total</b>		<b>20</b>	
Implementation	Funds disbursed	Based on estimated disbursement in progress report	15	USD 26.7 million
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	365.35 ODpt
Implementation	Project completion for Activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	43
	<b>Sub-total</b>		<b>60</b>	
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	10	12 months after operational completion
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	5	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	5	On time
	<b>Sub-total</b>		<b>20</b>	
	<b>Total</b>		<b>100</b>	

Based on Decision 71/28, the performance indicator on milestone activities for MYAs was changed as listed now in the above table.

## 5. INITIATIVES TO ENSURE COMPLIANCE

Successful and timely implementation of ongoing activities is essential for the current compliance period.

Special attention is provided to countries that may previously have been in non-compliance and that have decisions outlining plans of actions with time-specific benchmarks for return to compliance.

UNIDO has continued to provide supportive initiatives in order to ensure timely project completion of projects approved so far, and to facilitate compliance of the recipient countries with their Montreal Protocol obligations, which supported successful project implementation:

- Regular follow up of the implementation process is being done by the staff of the ozone office together with UNIDO's national and international consultants and project managers. This ensures that effective actions on critical issues such as resolving bottlenecks in site preparation, customs clearance, installation, commissioning and safety certification, monitoring of HCFC-related equipment are taken.
- UNIDO is frequently attending Regional Network online Meetings and respective webinars providing additional support to our counterpart countries.
- Communication and interaction between regional and country offices about the implementation process has ensured the smooth flow of project plans. As in previous years, directors of UNIDO regional and country offices are regularly briefed on ongoing and possible future activities. They are involved in the implementation process and are following up the progress of the programmes. In turn, the representatives brief headquarter staff working in a specific country on the regular activities in the field and problems faced, if any.
- UNIDO also provides, when requested, support such as policy assistance, putting in place relevant legislation etc. Additionally, UNIDO project managers have developed various webinars and online trainings to compensate for the project site visits and in-person trainings.
- Based on recommendation of the Implementation Committee, additional assistance will be offered to the countries with delays in reporting of its ozone-depleting substance data.
- Based on the recommendations from the Ozone Secretariat, and taking into consideration that countries that have already ratified the Kigali Amendment will have to have HFC licensing system established, UNIDO organized webinars on HFC licensing systems. UNIDO will continue to implement webinars to assist countries with meeting their obligations under the Kigali Amendment.
- Taking into consecration the travel and physical meetings limitations imposed worldwide due to the Covid-19 pandemic, UNIDO continues to provide support to the countries while prioritizing the health of its staff, consultants and counterparts. To compensate for the physical meetings and trainings, UNIDO is organizing webinars, frequent video calls and online trainings until travel will be allowed again.