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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-first Meeting
Montreal, 5-9 December 2022
Item 8(d)(ii) of the provisional agenda¹

UNDP BUSINESS PLAN FOR 2023–2025

Introduction

1. This document presents UNDP business plan for 2023–2025² and includes the planned activities for the reduction of controlled substances under the Montreal Protocol during the period 2023–2025. The narrative of UNDP’s business plan for 2023–2025 is attached to the present document.
2. This document consists of the following sections:
 - I. Planned activities during the period 2023–2025
 - II. Secretariat’s comments
 - III. Proposed adjustments by the Secretariat
 - IV. Performance indicators
 - V. Policy issues
 - VI. Recommendation

I. Planned activities during the period 2023–2025

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

¹ UNEP/OzL.Pro/ExCom/91/1

² A draft business plan for 2023–2025 of UNDP was discussed at the Inter-agency coordination meeting (IACM) held in Montreal from 20 to 22 September 2022. The business plan contained in this document has addressed the issues raised at the meeting.

Table 1. Resource allocation in the UNDP business plan for 2023–2025 (US \$)* – as submitted

Description	2023	2024	2025	Total (2023–2025)	Total after 2025
HCFC activities					
Approved HCFC phase-out management plans (HPMPs)	18,804,697	5,016,764	9,277,467	33,098,928	14,678,907
HPMP project preparation (PRP) – stage II	10,000	0	0	10,000	0
HPMP stage II	110,165	362,461	362,781	835,406	87,200
HPMP PRP – stage III	160,500	0	0	160,500	0
HPMP stage III	10,914,086	11,416,971	14,824,077	37,155,133	19,017,120
HPMP PRP – stage IV	90,000	0	0	90,000	0
HPMP stage IV	0	0	2,093,000	2,093,000	8,374,000
HPMP – energy efficiency	443,264	603,860	215,820	1,262,944	0
HCFC activities subtotal	30,532,711	17,400,055	26,773,145	74,705,911	42,157,227
HFC activities					
Kigali HFC implementation plan (KIP) – PRP	861,070	92,145	0	953,215	0
KIPs	19,316,252	13,619,387	102,720	33,038,359	77,089,505
KIPs – investment PRP	129,000	0	0	129,000	0
KIPs – investment	0	8,963,616	0	8,963,616	0
HFC-23 emissions control PRP	43,000	0	0	43,000	0
HFC-23 emissions control	0	8,000,000	0	8,000,000	0
HFC activities subtotal	20,349,322	30,675,148	102,720	51,127,190	77,089,505
Standard activities					
Institutional strengthening (IS)	4,211,579	2,311,948	4,211,579	10,735,106	0
Core unit	2,157,835	2,172,940	2,188,152	6,518,927	0
Standard activities subtotal	6,369,413	4,484,889	6,399,730	17,254,032	0
Total	57,251,447	52,560,092	33,275,595	143,087,134	119,246,732

* Including agency support costs where applicable.

II. Secretariat's comments

II.1 HCFC activities

Stage II of HPMPs

4. A total of US \$922,606 is planned for stage II of the HPMPs for five low-volume-consuming (LVC) countries to meet 100 per cent reduction of the HCFC baseline (Barbados, Haiti, Mali, Saint Kitts and Nevis and South Sudan) (including US \$835,406 for 2023–2025 and US \$87,200 for the period after 2025).

Stage III of HPMPs

5. A total of US \$56.17 million is planned for stage III of the HPMPs for 10 countries (Angola, Brazil, India, Indonesia, Iran (Islamic Republic of), Lebanon, Malaysia, Mexico, Peru and Timor-Leste) (including US \$37.16 million for 2023–2025 and US \$19.02 million for the period after 2025).³

Stage IV of HPMPs

6. A total of US \$10.47 million is planned for stage IV of the HPMPs for one country (Nigeria) (including US \$2.09 million for 2023–2025 and US \$8.37 million for the period after 2025) and US \$90,000

³ Inclusion of stage III of HPMPs in the business plan including project preparation is allowed for countries for which stage II of the HPMP had been approved and which had a reduction target beyond 2024 (decision 88/34(d)).

for project preparation in 2023. At this time, there is no decision to allow inclusion of stage IV of HPMPs in the business plan.

Energy efficiency for LVC countries

7. Decision 89/6 allowed bilateral and implementing agencies, when submitting existing and future stages of HPMPs for LVC countries, to include the funding associated with the need for the introduction of alternatives to HCFCs with low- or zero-global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector.

8. A total of US \$1.26 million is included in the business plan for energy efficiency activities for 23 LVC countries for 2023–2025. For two of these countries (Cambodia and Maldives), which have agreements for the complete phase-out of HCFCs, UNDP included energy efficiency activities in its business plan amounting to US \$64,950 in 2023, although it does not have remaining HPMP tranches to request on behalf of those countries in the future. Further, UNEP has already submitted an energy efficiency activity for Maldives to the 91st meeting amounting to US \$113,000;⁴ therefore, there is no more funding eligibility for UNDP for this country. This issue is addressed in section V on policy issues.

II.2 HFC-related activities

KIP project preparation

9. A total of US \$953,215 is included in the business plan for KIP project preparation activities⁵ for 11 countries in 2023–2024. In addition, UNDP also included three project preparation activities for KIP investment projects for one country amounting to US \$129,000 in 2023.

10. Nine of the 11 countries for which KIP project preparation activities have been included have not yet ratified the Kigali Amendment but have submitted the required letter from their respective Government indicating their intent to make best efforts to ratify the Kigali Amendment.

KIPs

11. A total of US \$110.13 million is included in the business plan for KIPs⁶ for 30 countries (including US \$33.04 million for 2023–2025 and US \$77.09 million for the period after 2025). In addition, UNDP also included KIP investment projects for three countries amounting to US \$8.96 million in 2024. All these countries have ratified the Kigali Amendment.

HFC-23 emissions control projects

12. UNDP's business plan included one project preparation and one HFC-23 emissions control investment project for one country (India) amounting to US \$43,000 in 2023 and US \$8 million in 2024, respectively.

⁴ UNEP/OzL.Pro/ExCom/91/44

⁵ 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, 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 the preparation of KIPs were approved at the 87th meeting (decision 87/50).

⁶ KIPs are allowed inclusion of such plans in the business plan only for countries that had ratified the Kigali Amendment (decision 84/46(g)).

II.3 Core unit costs

13. The core unit costs⁷ are expected to increase at an annual rate of 0.7 per cent as agreed.

III. Proposed adjustments by the Secretariat

14. The adjustments to the UNDP business plan for 2023–2025 were based on relevant decisions of the Executive Committee. In reviewing the revised UNDP business plan for 2023–2025, the Secretariat noted that the following adjustments were not included:

Table 2. Adjustments to the UNDP business plan for 2023–2025 (US \$)* – as proposed by the Secretariat

Adjustment	2023–2025	After 2025
HPMP values to reflect the actual amounts approved under the Agreements	133,750	0
PRP for KIPs pursuant to decision 87/50 or submitted to the 91 st meeting	(229,900)	0
PRP for stage III of HPMPs pursuant to decision 71/42	(96,300)	0
PRP for stage IV of HPMPs	(90,000)	0
Stage IV of HPMPs	(2,093,000)	(8,374,000)
Energy efficiency for LVC countries pursuant decision 89/6	(32,250)	0

* Including agency support costs where applicable.

15. Table 3 presents the results of the Secretariat’s proposed adjustments to the UNDP business plan for 2023–2025, which are also addressed in the context of the consolidated business plan of the Multilateral Fund for 2023–2025.⁸

Table 3. Resource allocation in UNDP’s adjusted business plan for 2023–2025 (US \$)*

Description	2023	2024	2025	Total (2023–2025)	Total after 2025
HCFC activities					
Approved HPMPs	18,938,447	5,016,764	9,277,467	33,232,678	14,678,907
HPMP PRP – stage II	10,000	0	0	10,000	0
HPMP stage II	110,165	362,461	362,781	835,406	87,200
HPMP PRP – stage III	64,200	0	0	64,200	0
HPMP stage III	10,914,086	11,416,971	14,824,077	37,155,133	19,017,120
HPMP PRP – stage IV	0	0	0	0	0
HPMP stage IV	0	0	0	0	0
HPMP – energy efficiency	411,014	603,860	215,820	1,230,694	0
HCFC activities subtotal	30,447,911	17,400,055	24,680,145	72,528,111	33,783,227
HFC activities					
KIP – PRP	631,171	92,145	0	723,315	0
KIPs	19,316,252	13,619,387	102,720	33,038,359	77,089,505
KIPs – investment PRP	129,000	0	0	129,000	0
KIPs – investment	0	8,963,616	0	8,963,616	0
HFC-23 emissions control PRP	43,000	0	0	43,000	0
HFC-23 emissions control	0	8,000,000	0	8,000,000	0
HFC activities subtotal	20,119,423	30,675,148	102,720	50,897,290	77,089,505
Standard activities					
IS	4,638,301	1,885,226	4,211,579	10,735,106	0
Core unit	2,157,835	2,172,940	2,188,152	6,518,927	0
Standard activities subtotal	6,796,136	4,058,166	6,399,730	17,254,032	0
Total	57,363,470	52,133,369	31,182,595	140,679,434	110,872,732

* Including agency support costs where applicable.

⁷ UNDP’s 2023 core unit costs will be considered at the 91st meeting (UNEP/OzL.Pro/ExCom/91/59).

⁸ UNEP/OzL.Pro/ExCom/91/22

IV. Performance indicators

16. UNDP submitted performance indicators pursuant to decision 71/28 in its business plan narrative. The Secretariat informed UNDP of the targets shown in table 4.

Table 4. Performance indicators for UNDP for 2023

Type of indicator	Short title	Calculation	2023 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	45
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)	30
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$23,111,673
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans*	415.6 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	39
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	On time (9)
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 lead or cooperating agency, if agreed by that agency.

V. Policy issues

17. UNDP presents the following policy issues related to stage IV of HPMPs and energy efficiency activities for LVC countries with no remaining tranche requests for consideration by the Executive Committee. These two issues are considered under the consolidated business plan of the Multilateral Fund for 2023–2025.⁹

V.1 Request for stage IV of HPMPs

18. UNDP included in its business plan stage IV of the HPMP for Nigeria and the project preparation. Stage II of the HPMP for Nigeria was approved for the period 2018 to 2023 to reduce HCFC consumption by 35 per cent of the baseline in 2020 and by 51.35 per cent by 2023 noting that the approval of stage II of the HPMP did not preclude Nigeria from submitting, not earlier than 2020, stage III of the HPMP (decision 81/40). Nigeria has submitted a request for stage III to the 91st meeting¹⁰ with a plan to reduce HCFC consumption by 67.5 percent of the baseline in 2025. Normally, non-LVC countries achieve the complete HCFC phase-out in three stages of an HPMP. However, the country will need to request stage IV of its HPMP in 2025 (with project preparation in 2023) to undertake activities in 2025–2030 for a complete phase out of HCFCs.

⁹ UNEP/OzL.Pro/ExCom/91/22

¹⁰ UNEP/OzL.Pro/ExCom/91/49

V.2 Application of decision 89/6 for LVC countries with no remaining HPMP tranche requests

19. While decision 89/6 allows LVC countries to access additional funding associated with the need for the introduction of alternatives to HCFCs with low- or zero-GWP and for maintaining energy efficiency in the refrigeration servicing sector when submitting tranches of existing and future stages of HPMPs, UNDP has included in its business plan energy efficiency activities for two LVC countries with agreements for the complete phase-out of HCFCs for which it does not have remaining HPMP tranche requests for consideration by the Executive Committee. UNDP indicated that this additional funding would benefit those countries' efforts under the Kigali Amendment for the reasons outlined below.

Cambodia

20. The country has committed to a complete HCFC phase-out by 2030;¹¹ however, UNDP has no remaining HPMP tranches to request on its behalf. The funds requested for energy efficiency activities would assist the Government in expanding its current approach during the KIP preparation process through implementing pilot/demonstration activities related to energy efficiency and collect lessons and share experiences on areas of work that are relevant for the Kigali Amendment and aligned to Montreal Protocol policies. These pilot projects and experiences will generate knowledge that can be incorporated and replicated in the Cambodia's KIP overarching strategy.

Maldives

21. The country already achieved complete HCFC phase-out in 2020.¹² The funds requested for energy efficiency activities would benefit the survey on the small-scale fishery sector conducted by Maldives with bilateral support in 2022. The objective is to assess refrigeration equipment related to fisheries in local fishing vessels. Multilateral Fund support is needed in 2023 for activities that sustain the deployment of non-ODS technologies and increase capacity in the sector.

VI. Recommendation

22. The Executive Committee may wish:

- (a) To note the UNDP business plan for 2023–2025, contained in document UNEP/OzL.Pro/ExCom/91/24; and
- (b) To approve the performance indicators for UNDP as set out in table 4 of document UNEP/OzL.Pro/ExCom/91/24.

¹¹ Annex XII to document UNEP/OzL.Pro/ExCom/70/59

¹² Annex X to document UNEP/OzL.Pro/ExCom/69/40



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

UNDP 2023

Business Plan Narrative

91st Meeting, 28 November – 2 December 2022, Montreal,
Canada

I. Introduction

The 2023-2025 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 2025 control measure for HCFCs and to support the phase-down of HFCs.

It should be noted that planned activities included in the 2023 column are relatively firm, while future years are indicative and are provided for planning purposes only.

In 2022, while the COVID-19 pandemic continued to impose limitations on project implementation, Article 5 countries and UNDP were able to adapt some of our operations in order to ensure the continuation of the implementation of activities under the Multilateral Fund. Therefore, we have continued providing assistance to countries to ensure that they meet their control targets under the Montreal Protocol on a timely basis. Furthermore, recognizing the importance and the need for capacity building for the implementation of the Kigali Amendment, UNDP will continue organizing online webinars on technical topics to exchange information among Article 5 countries and provide training to the NOUs and stakeholders remotely.

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 2023 through 2025. Figures are also provided for the years 2026-2030, which are mainly related to Stage II HPMP approvals and 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, 79/47, 82/45, 84/46, 87/50 and 89/6) as well as country requests have been taken into consideration. As agreed with the Secretariat, activities which were included in UNDP's 2022 Business Plan, but were not submitted in 2022 were reflected in the 2023 Business Plan as well.

The activities included for 2023 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\$ 18.8 million;
- Stage II, III and IV HPMP preparation requests for Lebanon, Nigeria and South Sudan;
- Stage I HPMP request for Mali
- Stage II and III HPMP requests for five countries (Haiti, Indonesia, Iran, Lebanon and Malaysia) to meet the 2025 and 2030 control targets;
- HFC preparation requests for eight countries (Belize, Egypt, Georgia, Haiti, Indonesia, Iran, Philippines and Timor Leste);
- Preparation for four HFC investment demonstration projects in India;
- Kigali Implementation Plans for twenty countries worth \$19.3 million.
- 22 ongoing institutional strengthening activities, of which fourteen will request an extension in 2023 for a combined amount of US\$ 4.2 million;
- Activities to introduce alternatives to HCFCs with low or zero GWP and for maintaining energy efficiency in the refrigeration servicing sector (Decision 89/6) in ten countries; 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 2023 and beyond were based on the Stage II guidelines that were approved at the 74th meeting and on a calculation of up to 67.5% or total phase-out for most countries. The year of the first tranche and the duration 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 with the exception of a few cases.

For countries that have requested preparation funding for HFC management plans but not ratified Kigali yet, letters of intention to ratify Kigali have been sought. It should be noted that UNDP will request HFC preparation for a few countries that weren't included in the business plan once they ratify the Kigali Amendment. In order to calculate the funding levels for HFC preparation, the guidelines for HFC preparation contained in ExCom document 87/46 were applied.

As the HFC guidelines have not been approved by the Executive Committee yet, in order to estimate the countries' needs for KIPs, we based the amounts on what was received for the Stage I HPMP phaseout but estimated 1.5 times more for non LVCs and 2 times more for LVCs. 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. The HFC phase-down will require interventions in advance to curb the growth and transform the market, which will require more resources, especially for LVCs. 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. UNDP will discuss with A5 countries on the opportunities of integrated interventions if they are in the position to do so.

Taking into factor these considerations, the expected business planning value is **US\$ 57.3 million for 2023** and **US\$ 52.6 million for 2024** (including support costs). This funding translates to the phase out of **415.3 ODP tonnes in 2023** and **168.0 ODP tonnes in 2024**.

II. Resource allocation

As referenced in the Introduction section, UNDP's primary focus in 2023-2025 will be on assisting countries to meet the 2025 HCFC control target and supporting them for the upcoming HFC freeze and phasedown. In addition, the renewal of institutional strengthening projects is also a component of UNDP's 2023-2025 Business Plan.

The total budget for 2023 for the above activities is US\$ **55** million (including support costs) plus US\$ 2.2 million core unit funding for UNDP. Table 1 below summarizes the resource allocation of UNDP's 2023 Business Plan. The projects are grouped into various categories, which are described in the following summary table.

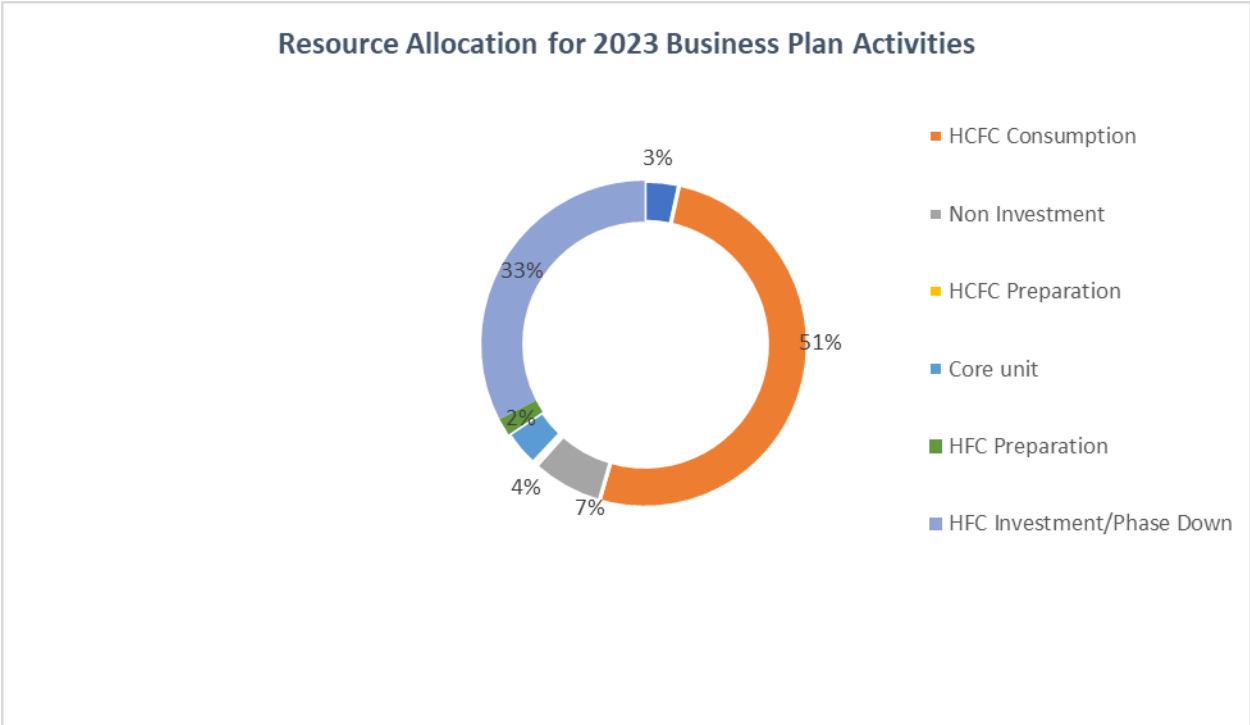
Table 1: UNDP 2023-2025 Business Plan Resource Allocations¹

Category	2023 Value	2024 Value	2025 Value
Approved HPMP Stages	18,774,597	5,016,764	9,277,467
New HPMP Stages	11,054,350	11,779,431	17,279,858
HCFC Preparation	260,500	0	-

¹ All values include agency support costs.

HFC Phase Down Investment Preparation	172,000	0	0
HFC Phase Down Investment Project	0	16,963,616	-
HFC Phase Down Preparation	861,070	92,145	-
HFC Phase Down	19,316,252	13,619,387	102,720
INS	4,211,579	2,311,948	4,211,579
Core Unit	2,157,835	2,172,940	2,188,152
HPMP - Additional	443,264	603,860	215,820
	57,251,447	52,560,092	33,275,595

Chart 1: UNDP Resource Allocation for 2023 Business Plan Activities

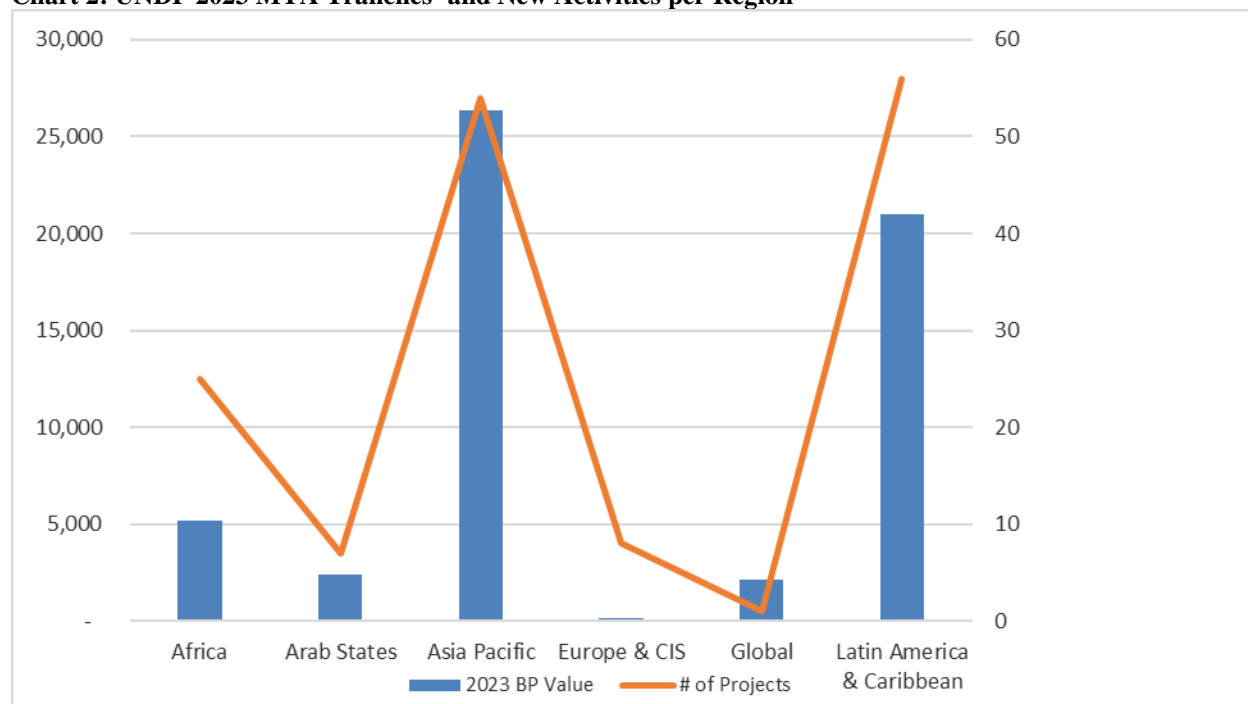


III. Geographical distribution

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 55 countries, 41 of which have funding requests in 2023. The number of activities and budgets per region for 2023 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 2023 MYA Tranches² and New Activities per Region³



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

IV. Programme Expansion in 2023

4.1. Background

UNDP's 2023-2025 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 prior to, during and post the Inter-Agency Coordination meeting held on 20 - 22 September 2022 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 2023, 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.

²All values include agency support costs.

³ EUR contains CIS-countries that receive MLF funding.

4.2. Non-investment projects

UNDP's planned non-investment projects in 2023 are worth more than US\$ 3.2 million, including support costs. This list excludes institutional strengthening and includes one global request under the core unit, and HCFC and HFC preparation funding.

Details on all these requests will also be included in the respective Work Programmes to be submitted throughout 2023.

Table 3: Individual Non-Investment projects (DEM/TAS) in 2023

Country	Sector and Subsector	Value in 2023
South Sudan	HPMP Preparation - Stage II	10,000
Lebanon	HPMP Preparation - Stage III	160,500
Nigeria	HPMP Preparation - Stage IV	90,000
India	Preparation for HFC Phase Down Investment Project	43,000
India	Preparation for HFC Phase Down Investment Project	43,000
India	Preparation for HFC Phase Down Investment Project	43,000
India	Preparation for HFC Phase Down Investment Project	43,000
Belize	HFC Phase Down Preparation	41,730
Egypt	HFC Phase Down Preparation	66,000
Georgia	HFC Phase Down Preparation	45,000
Haiti	HFC Phase Down Preparation	91,000
Indonesia	HFC Phase Down Preparation	110,000
Iran (Islamic Republic of)	HFC Phase Down Preparation	110,000
Philippines	HFC Phase Down Preparation	121,240
Timor Leste	HFC Phase Down Preparation	30,000
Global	Core Unit	2,157,835
		3,205,305

In addition, UNDP will prepare 14 non-investment Institutional Strengthening project extensions in 2023, as indicated in the table below. The total value of IS renewal programming in 2023 is US\$ 4.2 million. An additional 9 IS renewals (Argentina, Cuba, Ghana, Haiti, Indonesia, Iran, Nigeria, Panama, Sri Lanka) will be submitted in 2024 and are thus not shown in the table below.

Table 4: Non-Investment Institutional Strengthening requests

Country	Sector and Subsector	Value in 2023
Bangladesh	Institutional Strengthening	178,048
Brazil	Institutional Strengthening	480,730
Chile	Institutional Strengthening	255,499
China	Institutional Strengthening	534,144
Colombia	Institutional Strengthening	377,462
Costa Rica	Institutional Strengthening	192,447
Georgia	Institutional Strengthening	90,950
India	Institutional Strengthening	511,176
Lebanon	Institutional Strengthening	212,411
Malaysia	Institutional Strengthening	382,803
Pakistan	Institutional Strengthening	307,430
Trinidad and Tobago	Institutional Strengthening	90,950
Uruguay	Institutional Strengthening	206,536
Venezuela	Institutional Strengthening	390,994
		4,211,579

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

While Section IV dealt specifically with 2023 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.

UNDP has significant experience in facilitating technology assessments of emerging alternatives (Methyl formate, Methyl Al, CO₂, 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 status of these projects. The factsheets on these projects are available on the [MLF website](#).

The table below provides details on all the UNDP demonstration projects funded by the MLF for HCFC phaseout.

Project Title	Country	Sector/Subsector/Applications	Status
Pilot project to validate methylal as blowing agent in the manufacture of polyurethane foam	Brazil	PU Foam Non-insulation and insulation foam	Completed
Pilot project for validation of methyl formate as a blowing agent in the manufacture of polyurethane foam	Brazil	PU Foam/Flexible, integral skin, rigid insulation foam	Completed
Demonstration project for conversion from HCFC-22 technology to ammonia/CO ₂ technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd.	China	Industrial and commercial refrigeration (ICR) /Cold storage and freezing applications	Completed
Demonstration project for conversion from HCFC-22 technology to HFC-32 technology in the manufacture of commercial air-source chillers/heat pumps at Tsinghua Tong Fang Artificial Environment Co. Ltd.	China	Industrial and commercial air-conditioning Unitary and multi-connected air-conditioning (AC) and heat pumps	Completed
Demonstration of 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.	Costa Rica	Industrial and commercial refrigeration	Completed
Assessment of the use in Colombia of the supercritical CO ₂ technology	Colombia	PU Foam/Spray foam	Completed
Demonstration project to validate the use of hydrofluoro-olefins for discontinuous panels in Article 5 parties through the development of cost-effective formulations	Colombia	Rigid Foam	Completed
Demonstration of low-cost options for the conversion to non-ODS technologies in polyurethane foams at very small users	Egypt	Rigid Foam	Completed
Conversion from HCFC-22/HCFC-142b	China	Extruded polystyrene (XPS) foam	Completed

technology to CO2 with methyl formate co-blowing technology in the manufacture of extruded polystyrene foam at Feininger			
Validation of use of HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam board stock	Turkey	Extruded polystyrene (XPS) foam	Completed
Validation/Demonstration of low-cost options for the use of hydrocarbons as foaming agent in the manufacture of PU foam	Egypt	PU Foam Rigid and integral skin foam	Completed
Pilot project for validation of methyl formate in microcellular polyurethane applications (phase I)	Mexico	Integral skin foam	Completed
Demonstration project for conversion from HCFC-141b-based technology to isoparaffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	China	Solvents	Completed
Demonstration project for ammonia semi-hermetic frequency convertible screw refrigeration compression unit in the industrial and commercial refrigeration industry at Fujian Snowman Co. Ltd.	China	Industrial and Commercial Refrigeration Compressor	Completed
Demonstration project (R290) for HCFC phase-out in the manufacturing of commercial air conditioning equipment in industrials THERMOTAR LTDA.	Colombia	Commercial Air-Conditioning	Completed
Demonstration Project for Fisheries Sector in the Maldives	Maldives	Refrigeration in Fishery Sector	Completed
Punta Cana District Cooling Feasibility Study	Dominican Republic	Air conditioning sector/not-in-kind technology	Completed

HFC Enabling Activities, Stand-alone Investment Projects and Kigali Preparatory Funds

As per ExCom decision 79/46, the Executive Committee allowed for the submission of HFC enabling activities, which will support the early ratification of the Kigali Amendment. These activities supported Parties in the ratification process. Countries undertook a range of enabling activities to help their national ozone units 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 assisted nineteen countries and preparing them for ratification of the Kigali Amendment, out of which fourteen countries (China, Colombia, Costa Rica, Cuba, El Salvador, Fiji, Haiti, Jamaica, Lebanon, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay) have completed these activities. Overall, the general conclusion that can be drawn is that the initial 18 months allocated to undertake the tasks required under the enabling activities was not sufficient. These activities required 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 was complex and needed to be built from scratch. As of September 2022, of the 19 countries for which UNDP supported the HFC EAs, 13 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 and four projects have been completed.

As of September 2022, UNDP has also received approval from the Multilateral Fund to provide support to 28 countries to prepare their Kigali Implementation Plans as the lead or cooperating agency. For more details on these countries, please see the table below.

Country	MLF Number	Project Title
Angola	ANG/KIP/88/PRP/24	Preparation of Kigali HFC implementation plan
Bangladesh	BGD/KIP/90/PRP/58	Preparation of Kigali HFC implementation plan
Bhutan	BHU/KIP/87/PRP/29	Preparation of Kigali HFC implementation plan
Chile	CHI/KIP/88/PRP/207	Preparation of Kigali HFC implementation plan
Colombia	COL/KIP/87/PRP/110	Preparation of Kigali HFC implementation plan
Costa Rica	COS/KIP/87/PRP/63	Preparation of Kigali HFC implementation plan
Cuba	CUB/KIP/87/PRP/65	Preparation of Kigali HFC implementation plan
Dominican Republic	DOM/KIP/87/PRP/73	Preparation of Kigali HFC implementation plan
El Salvador	ELS/KIP/88/PRP/44	Preparation of Kigali HFC implementation plan
Fiji	FIJ/KIP/88/PRP/41	Preparation of Kigali HFC implementation plan
Ghana	GHA/KIP/87/PRP/51	Preparation of Kigali HFC implementation plan
Grenada	GRN/KIP/88/PRP/28	Preparation of Kigali HFC implementation plan
Cambodia	KAM/KIP/88/PRP/40	Preparation of Kigali HFC implementation plan
Kyrgyzstan	KYR/KIP/87/PRP/45	Preparation of Kigali HFC implementation plan
Laos PDR	LAO/KIP/87/PRP/39	Preparation of Kigali HFC implementation plan
Lebanon	LEB/KIP/87/PRP/98	Preparation of Kigali HFC implementation plan
Maldives	MDV/KIP/87/PRP/36	Preparation of Kigali HFC implementation plan
Mexico	MEX/KIP/87/PRP/195	Preparation of Kigali HFC implementation plan
Mozambique	MOZ/KIP/90/PRP/36	Preparation of Kigali HFC implementation plan
Nigeria	NIR/KIP/87/PRP/156	Preparation of Kigali HFC implementation plan
Panama	PAN/KIP/87/PRP/53	Preparation of Kigali HFC implementation plan
Paraguay	PAR/KIP/87/PRP/42	Preparation of Kigali HFC implementation plan
Peru	PER/KIP/87/PRP/59	Preparation of Kigali HFC implementation plan
Sri Lana	SRL/KIP/87/PRP/59	Preparation of Kigali HFC implementation plan
Eswatini	SWA/KIP/87/PRP/33	Preparation of Kigali HFC implementation plan
Trinidad & Tobago	TRI/KIP/87/PRP/40	Preparation of Kigali HFC implementation plan
Turkiye	TUR/KIP/90/PRP/112	Preparation of Kigali HFC implementation plan
Uruguay	URU/KIP/87/PRP/77	Preparation of Kigali HFC implementation plan

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

In UNDP's portfolio, all countries are currently in compliance with the HCFC phase-out schedule. The actions have been taken by the NOUs, with support from UNDP, when there are discrepancies in data reporting and issues related to the licensing system were identified either in the review process by the MLF Secretariat or in the verification report.

VII. Policy Issues

Stage IV HPMP Request for Nigeria: The original submission of Nigeria’s request for Stage II HPMP to the 81st meeting of the Executive Committee aimed to reduce 67.5% of the HCFC consumption by 2025. However, during the discussion at the meeting the Executive Committee members raised questions regarding the consumption of HCFCs and technology selection in the commercial refrigeration sector. After the discussions, the Executive Committee decided to delay the funding of the activities in the commercial refrigeration sector and approved the second stage for the period 2018 to 2023 to reduce HCFC consumption by 35 per cent of the baseline in 2020 and by 51.35 per cent by 2023, Decision 81/40 also noted that the approval of stage II of the HPMP did not preclude Nigeria from submitting, not earlier than 2020, stage III of the HPMP. Nigeria submitted the request for the third stage to the 91st Executive Committee meeting and it is planned that the third stage will reduce the HCFC consumption by 67.5 percent in 2025. Therefore, Nigeria will need to request Stage IV HPMP in 2025 to undertake activities in 2025-2030 for a complete phase out of HCFCs. Usually, non-LVC countries achieve the full HCFC phase out in three stages of an HPMP. Considering this explanation, the Executive Committee is requested to allow Nigeria to submit the fourth stage request (with PRP in 2023) in 2025.

Application of Decision 89/6 for LVCs that have no more remaining HPMP tranches: While Decision 89/6 allows LVCs to access additional funding associated with the need for the introduction of alternatives to HCFCs with low or zero global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector when submitting existing and future HPMPs tranches, UNDP has included two countries that have no more remaining HPMP tranches into our business plan. This additional funding would still be beneficial for these LVCs’ efforts under Kigali and the specific reasons for their inclusion are outlined below:

Cambodia: 100% HCFC phase out is committed by 2030 like most LVCs, however, UNDP has no remaining HPMP tranches to request. These funds will assist the Government to expand their current approaches during the KIP preparation process through implementing pilot/demonstration activities related to energy efficiency and collect lessons and share experiences on areas of work that are relevant for the Kigali Amendment and aligned to MLF Policies. These pilots/experiences will generate knowledge that can be incorporated and replicated in the Cambodia’s KIP over-arching strategy.

Maldives: Maldives has already achieved 100% phaseout of HCFCs. However, these funds would be beneficial to the small-scale fishery sector survey Maldives is conducting with bilateral support in 2022. The objective is to assess fisheries-related refrigeration equipment in local fishing vessels. MLF support is needed in 2023 for activities that sustain the deployment of non-ODS technologies and increase capacity in the sector.

VIII. 2022 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 “2023 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2023 business plan to be approved at the 91st ExCom meeting in November 2022. 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 2023	Remarks
Planning/Approval	Number of tranches approved vs. those planned*	10	44	18 approved multi-years, 6 planned HPMPs, 20 KIPs
Planning/Approval	Number of projects/activities approved vs. those planned (including project preparation activities)**	10	31	14 IS, 1 TAS, 16 PRP
Implementation	Funds disbursed (based on estimated disbursement in progress report)	15	\$23,111,673	As determined by the 2020 Progress Report.
Implementation	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	25	415	ODS Phaseout associated with 24 HPMP tranches
Implementation	Project completion vs. planned in progress reports for all activities (excluding project preparation)	20	39	As determined by the 2021 Progress Report.
Administrative	The extent to which projects are financially completed 12 months after project completion	10	TBD	70% of those due as determined by the 2021 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 91st ExCom, depending on which programmes are allowed to stay in the business plan in those meetings.