



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/63/7  
3 March 2011

ORIGINAL: ENGLISH



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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-third Meeting  
Montreal, 4-8 April 2011

**CONSOLIDATED 2011-2014 BUSINESS PLAN OF THE MULTILATERAL FUND**

## Introduction

1. Bilateral and implementing agencies provided initial business plan tables by 20 January 2011 to the Fund Secretariat. The Secretariat compiled the information provided and analyzed the business plans in the light of decisions taken in 2010 in particular with respect to decisions related to the 2010-2014 business plans and HCFC guidelines. The Secretariat and the bilateral and implementing agencies began their collaborative efforts on business planning at an Inter-agency coordination meeting held from 26 to 28 January 2011. The Secretariat provided a comprehensive analysis of the initial tables and indicated how the plans would need to be adjusted to comply with the relevant decisions of the Executive Committee. Revised business plan tables and narratives were submitted, as required, on 7 February 2011.

2. The agencies' plans address the years from 2011 to 2014 pursuant to decision 60/5(o)(ii) but include activities planned after 2014.

3. A spreadsheet that includes data compiled from the business plans is available to Executive Committee members and is provided as Annex I to this document in a Microsoft Excel workbook.

4. The present document consists of the following eight sections:

Section I:	Resource allocation in the business plan
Section II:	Multi-year agreements (MYAs) and standard costs including new methyl bromide (MB) activities
Section III:	ODS disposal activities
Section IV:	HCFC activities
Section V:	Impact of adjustments based on existing Executive Committee decisions on business plans as submitted
Section VI:	Performance indicators
Section VII:	Other policy issues
Section VIII:	Recommendations

5. Section IV on HCFC activities also addresses tonnage included in the business plan compared to estimated baselines, the climate impact of HCFC activities, production sector, demonstration projects, additional project preparation, servicing, foam, and refrigeration sectors. All sections include comments on proposed adjustments that are summarized in Section V.

## **SECTION I: RESOURCE ALLOCATION IN THE BUSINESS PLAN**

6. The budget for 2011 is the subject of the document on the Availability of cash flow for the 2011 budget (UNEP/OzL.Pro/ExCom/63/5). However, it is assumed that the budget will correspond to the level of replenishment and, therefore, the remaining funds in the 2009-2011 triennium amounting to US \$287.7 million are assumed as the budget for 2011. The estimated budget for the 2011-2014 business plan overall is assumed to be US \$777.7 million based on another US \$490 million replenishment for the period 2012-2014.

7. Table 1 presents, by year, the value of activities included in the business plan according to categories "required for compliance" and "not required for compliance". The values included in the business plan are lower than the remaining funds for 2011 by US \$4.57 million and, based on previous replenishments, exceed the 2011-2014 budget by US \$230.94 million.

Table 1

**RESOURCE ALLOCATION IN BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE (2011-2014) (US \$000s)**

<b>Required/Not required by Model</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total (2011 to 2014)</b>
Required for compliance (MYAs and standard costs)	39,678	37,480	37,573	35,182	149,913
Required for compliance (HCFCs)	231,185	229,566	228,379	148,874	838,004
Not required for compliance (Resource mobilization)	1,451	0	0	0	1,451
Not required for compliance (ODS disposal)	9,590	8,291	0	0	17,881
Not required for compliance (Enforcement networks, Green Customs, MB workshops)	1,218	168	0	0	1,386
<b>Grand total</b>	<b>283,122</b>	<b>275,505</b>	<b>265,952</b>	<b>184,055</b>	<b>1,008,634</b>
Annual budgets and projected budgets*	287,696	163,333	163,333	163,333	777,696
<b>Difference</b>	<b>-4,574</b>	<b>112,172</b>	<b>102,619</b>	<b>20,722</b>	<b>230,939</b>

\* Assumed budget at same level of current replenishment.

8. HCFC activities required for compliance constitute the largest value in the business plan. The value of resources required for HCFC activities amounts to US \$838 million for 2011 to 2014.

9. Although resource mobilization and ODS disposal are not required for compliance, the Executive Committee has deferred the resource mobilization requested at previous meetings for consideration at the 63<sup>rd</sup> Meeting in the context of bilateral activities and work programmes (see UNEP/OzL.Pro/ExCom/63/17-21). The Executive Committee and the Meeting of the Parties have also taken decisions relevant to the activities included in the business plan for ODS disposal. This document addresses the possible value of a window for ODS disposal activities for low-volume-consuming (LVC) countries.

10. The remaining category is for activities that are not required for compliance (mostly combating illegal trade and workshops). These activities constitute only US \$1.22 million in 2011 and US \$168,000 in 2012. The Czech Republic's regional customs project was not removed from the business plan, nor was UNEP's methyl bromide project in Africa. However, the Green customs and Asia and West Asia enforcement networks have been removed from UNEP's business plan as per decision 61/8. The Secretariat's proposed adjustments to the business plan include the removal of these activities that would reduce the business plan levels by US \$1.05 million.

11. This document considers each of the other categories with a view to resolving inconsistencies with decisions of the Executive Committee.

## **SECTION II: MYAs AND STANDARD COSTS INCLUDING NEW MB ACTIVITIES**

12. Table 2 presents the amounts included in the business plan for activities required for compliance in MYAs, MB, IS, the CAP. It also covers the costs related to the Secretariat, the Executive Committee, monitoring and evaluation, and the Treasurer.

Table 2

**REQUIRED FOR COMPLIANCE FOR MYAs AND STANDARD COSTS (2011 to 2014)  
INCLUDING NEW MB ACTIVITIES (US \$000s)**

Required by Model	2011	2012	2013	2014	Total (2011 to 2014)
Approved MYAs	7,336	6,575	4,265	3,696	21,872
New MB activities	251	700			952
IS	9,414	6,929	9,414	6,957	32,714
CAP	10,019	10,320	10,630	10,948	41,917
Core unit	5,824	5,999	6,179	6,364	24,366
Secretariat, ExCom, and M&E Cost minus Canadian counterpart	6,334	6,457	6,585	6,716	26,092
Treasurer	500	500	500	500	2,000
<b>Total (required for compliance for MYAs and standard costs)</b>	<b>39,678</b>	<b>37,480</b>	<b>37,573</b>	<b>35,182</b>	<b>149,913</b>

13. The value associated with MYAs for the period 2011 to 2014 consists of US \$8.78 million for HCFC activities, US \$6.65 million for MB activities, US \$1.07 million for CFC activities, US \$1.3 million for a CFC production activity and US \$4.07 million of MB production activities. Bilateral and implementing agencies proposed amounts for MYAs that exceed those remaining for them in the records of the Fund Secretariat by US \$285,200. The Secretariat's proposed adjustments would modify the MYA amounts in the agencies' business plans to reflect the records of the Fund Secretariat.

14. New MB activities required for compliance amount to US \$951,600 over the next two years.

15. The funding levels for IS have been agreed until 2015 as per decision 61/43(b). Information has been included in the business plan up to 2014, since the Executive Committee plans to review the level of funding for IS by 2015. The Executive Committee may wish to consider maintaining current levels of funding for IS for business planning purposes until a decision is taken on the actual levels.

16. Although funding levels for IS and the timing of the submission of those requests are known, implementing agencies have included values for IS in their business plans that vary from those allowed under the current funding structure by US \$15,781, as well as requests in years for which they were not due. The Secretariat's proposed adjustments would modify the business plans of the implementing agencies according to when IS renewals are due based on the last approvals of IS requests.

17. CAP, core unit costs, Secretariat/Executive Committee and monitoring and evaluation costs, and the Treasurer's costs are expected to be maintained at the rates of increases that have been agreed to-date.

### **SECTION III: ODS DISPOSAL ACTIVITIES**

18. The Twenty-First Meeting of the Parties requested "the Executive Committee to continue its consideration of further pilot projects in Article 5 Parties pursuant to decision XX/7 and, in that context, to consider the costs of a one-time window within its current destruction activities to address the export and environmentally sound disposal of assembled banks of ozone-depleting substances in low-volume-consuming countries that are not usable in the Party of origin" (decision XXI/2, paragraph 2).

19. At its 59<sup>th</sup> Meeting, the Executive Committee approved project preparation funds for ODS disposal and requested "UNIDO to submit two additional project preparation requests for ODS disposal pilot projects, one for Africa and one for West Asia, in line with decision 58/19, as part of their business plan for 2010" (decision 59/10). At its 60<sup>th</sup> Meeting, the Committee requested agencies to "remove new project preparation requests for ODS disposal included in the business plans, except those required by

decision 59/10 and requests for countries that had been considered at the 59<sup>th</sup> Meeting” (decision 60/5(g)) and to “request the bilateral and implementing agencies at the 61<sup>st</sup> Meeting to suggest a level of funding for ODS [disposal] activities in LVC countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties” (decision 60/5(i)). Table 3 presents ODS disposal demonstration and technical assistance projects that have been included in the business plans and whether project preparation had been approved to-date.

Table 3

**ODS DISPOSAL DEMONSTRATION/TECHNICAL ASSISTANCE PROJECTS IN THE BUSINESS PLANS**

Country	Status	Agency	Type	Title	Approved Project Preparation	Value (\$000) in 2011	ODP in 2011	Value (\$000) in 2012	ODP in 2012
Algeria	Non-LVC	Italy	DEM	ODS destruction demonstration project	Yes	737	50.0		
Algeria	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	Yes			710	50.0
Brazil	Non-LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	Yes	1,000	0.0	0	0.0
China	Non-LVC	Japan	DEM	Destruction	Yes			1,000	
China	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	Yes	1,419	100.0		
Colombia	Non-LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	Yes	1,000	0.0	0	0.0
Georgia	LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	No	300	30.0	0	0.0
Georgia	LVC	UNDP	PRP	Preparation of Demo: ODS Bank Management/Destruction	No	30	0.0	0	0.0
Ghana	LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	Yes	281	8.8	0	0.0
India	Non-LVC	UNDP	DEM	Demo: ODS Bank Management/Destruction	Yes	1,419	100.0	0	0.0
Lebanon	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	Yes			1,419	100.0
Mexico	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	Yes	1,064	119.0		
Nigeria	Non-LVC	UNIDO	DEM	ODS destruction demonstration project	Yes	1,419	100.0		
Region: AFR	LVC	Japan	DEM	Destruction	No			600	
Region: AFR	LVC	UNIDO	DEM	ODS destruction demonstration project	No			568	40.0
Region: AFR	LVC	UNEP	PRP	Preparation of a regional disposal project for LVCs in Africa with UNIDO	No	75			
Region: AFR	LVC	UNIDO	PRP	ODS destruction demonstration project - PRP	No	81	0.0		
Region: AFR	LVC	UNEP	TAS	Regional Disposal Project - LVCs in Africa - with UNIDO	No			132	10.0
Region: ASP	LVC	Japan	DEM	Demonstration project on ODS disposal	Yes	20			
Region: ASP	LVC	UNIDO	DEM	ODS destruction demonstration project	No			568	40.0
Region: ASP	LVC	UNEP	PRP	Preparation of a regional disposal project for LVCs in Asia and Pacific - with UNIDO	No	50			
Region: ASP	LVC	UNIDO	PRP	ODS destruction demonstration project - PRP	No	54	0.0		
Region: ASP	LVC	UNEP	TAS	Regional Disposal Project - LVCs in Asia and Pacific - with UNIDO	No			132	10.0
Region: ECA	LVC	UNIDO	DEM	ODS destruction demonstration project	No			568	40.0
Region: ECA	LVC	UNEP	PRP	Preparation of a regional disposal project for LVCs in Europe and Central Asia - with UNIDO	No	50			
Region: ECA	LVC	UNIDO	PRP	ODS destruction demonstration project - PRP	No	54	0.0		
Region: ECA	LVC	UNEP	TAS	Regional Disposal Project - LVCs in Europe and Central Asia - with UNIDO	No			132	10.0
Region: LAC	LVC	UNIDO	DEM	ODS destruction demonstration project	No			568	40.0

Country	Status	Agency	Type	Title	Approved Project Preparation	Value (\$000) in 2011	ODP in 2011	Value (\$000) in 2012	ODP in 2012
Region: LAC	LVC	UNEP	PRP	Preparation of a regional disposal project for LVCs in Latin America and Caribbean - with UNIDO	No	50			
Region: LAC	LVC	UNIDO	PRP	ODS destruction demonstration project - PRP	No	54	0.0		
Region: LAC	LVC	UNEP	TAS	Regional Disposal Project - LVCs in LAC - with UNIDO	No			132	10.0
Region: WA	LVC	UNIDO	DEM	ODS destruction demonstration project	No			568	40.0
Region: WA	LVC	UNEP	PRP	Preparation of the regional disposal project for LVCs in West Asia - with UNIDO	No	50			
Region: WA	LVC	UNIDO	PRP	ODS destruction demonstration project - PRP	No	54	0.0		
Region: WA	LVC	UNEP	TAS	Regional Disposal Project - LVCs in WA - with UNIDO	No			132	
Trinidad and Tobago	LVC	UNDP	DEM	Demo on ODS Banks Mgt and Destruction	No	300	30.0	0	0.0
Trinidad and Tobago	LVC	UNDP	PRP	Preparation of Demo: ODS Bank Management/Destruction	No	30	0.0	0	0.0
Turkey	Non-LVC	UNIDO	DEM	Destruction demonstration project	Yes			1,064	75.0
<b>Sub-total</b>	<b>LVC</b>					<b>1,532</b>	<b>68.8</b>	<b>4,098</b>	<b>240.0</b>
<b>Sub-total</b>	<b>Non-LVC</b>					<b>8,058</b>	<b>469.0</b>	<b>4,193</b>	<b>225.0</b>
<b>Total</b>						<b>9,590</b>	<b>537.8</b>	<b>8,291</b>	<b>465.0</b>

20. The business plan includes US \$17.88 million for ODS disposal demonstration, technical assistance projects and associated project preparation that would result in the destruction of 1,002 ODP tonnes. Project preparation amounting to US \$630,625 would result in activities amounting to US \$9.59 million in 2011 and US \$8.29 million in 2012. The climate impact of these activities might be equivalent to the global warming potential (GWP) of the ODS being destroyed. However, information was not provided on the types of ODS to be destroyed; therefore the analysis was not performed.

21. If all LVC activities are maintained in the business plan, the Committee would be establishing a window for ODS destruction for LVC countries amounting to US \$5.633 million for activities in 2010 and 2011 that would result in the destruction of 308.8 ODP tonnes. The Executive Committee may wish to determine the level of a window for ODS activities for LVC countries in the light of the above.

#### SECTION IV: HCFC ACTIVITIES

##### HCFC tonnage required for compliance with HCFC controls and baseline/starting point calculations

22. Table 4 presents information in the business plan, including from approved projects according to the extent to which countries' activities address the reduction from the baseline as estimated by the Fund Secretariat.

Table 4

**TONNAGE IN BUSINESS PLAN PLUS TONNAGE FROM APPROVED PROJECTS AS A  
PERCENTAGE OF ESTIMATED BASELINES  
(BY LVC CATEGORY, NUMBER OF COUNTRIES AND ODP TONNES)**

Percentage of estimated baseline	~10%	>10% <35%	35%	>35% <100%	100%
<b>Number of countries</b>					
LVC	10	36	28	21	7
Non-LVC	3	28	3	8	
Total number of countries	13	64	31	29	7
<b>ODP tonnes</b>					
LVC	18.7	166.4	61.3	80.3	77.8
Non-LVC	65.5	5,430.0	8.2	639.7	
Total ODP tonnes	84.2	5,596.4	69.5	720.0	77.8

23. The tonnage in the business plan plus approved projects represents 20 per cent of the estimated baseline for Article 5 countries eligible for support from the Multilateral Fund.

#### **Climate impact benchmarks in the business plan**

24. Decision 60/5(o)(iii)b. requires implementing agencies to specify a climate impact for activities in the business plan. During the Inter-agency coordination meeting, a methodology for establishing a climate impact benchmark was developed for planning purposes. The climate impact benchmark for the refrigeration servicing sector is estimated at 1 ODP tonne equalling to 3,290 CO<sub>2</sub>-equivalent tonnes. This is based on the assumption that 10 per cent of the metric tonne reduction will result in a climate benefit based on the GWP of HCFC-22 due to better servicing practices. The GWP of HCFC-22 is 1,810 CO<sub>2</sub>-equivalent per tonne based on the Intergovernmental Panel Convention on Climate Change's "Climate Change 2007: Working Group I: The Physical Science Basis (TS.2.5 Net Global Radiative Forcing, Global Warming Potentials and Patterns of Forcing".

25. For the manufacturing sector if the replacement technology has been provided, the climate impact benchmark equals  $(A*D) - (A*B*C)$  where:

- A = metric tonne equivalent of the total ODP in the business plan;
- B = percentage of the replacement technology phase-in tonnage;
- C = Global warming potential of the replacement technology;
- D = Global warming potential of the HCFC replaced.

If no replacement technology is known at the time of the preparation of the business plan, the assumption is that there will be no positive climate impact. No phase-in amounts have been provided for the production sector, and therefore no climate impact is assessed for the HCFC production phase-out per se; however the phase-out of HCFC-22 production would result in the elimination of the HFC-23 by-product and a resulting minimum permanent annual climate impact of 24.39 million CO<sub>2</sub>-equivalent tonnes.

26. The climate impact benchmark is only for planning purposes as it is based solely on the tonnage of HCFCs, the alternatives, and the phase-in amount of the replacement technology. The amount of climate impact is for one year only and does not taken into account the permanent reduction in ODP and GWP. Factors that have a consequence on climate impact measurements such as energy efficiency are not known at the planning stage and therefore are not included in the calculation. The climate impact

calculation in the business plan, however, can be used as a benchmark against which HCFC phase-out management plan (HPMP) proposals can be assessed. Table 5 sets out the results of the climate impact measurements provided in the business plan by sub-sector and shows that the plans could result in the permanent annual reduction of 78.96 million CO<sub>2</sub>-equivalent tonnes, including 24.39 million CO<sub>2</sub>-equivalent tonnes for HFC-23 emissions saved from HCFC-22 production phase-out.

Table 5

**CLIMATE IMPACT OF HCFC ACTIVITIES IN THE 2011-2014 BUSINESS PLAN  
(IN MILLIONS OF CARBON DIOXIDE-EQUIVALENT TONNES)**

<b>Sub-sector</b>	<b>Total business plan values* (US \$000)</b>	<b>CO<sub>2</sub>-equivalent tonnage (in millions) for one year of reductions</b>
Aerosol	645	0.00
Approved Multi-Year	14,046	0.48
Foam	184,484	5.69
Foam Commercial	830	0.00
Foam Rigid	26,563	1.41
Foam XPS	110,407	20.07
HPMP	70,680	1.06
Refrigeration	20,692	0.59
Refrigeration AC	207,612	19.60
Refrigeration Commercial	17,886	0.00
Refrigeration Domestic AC	0	0.00
Refrigeration ICR	137,780	4.17
Refrigeration Manufacturing	2,854	0.05
Refrigeration Servicing (LVC countries)	11,182	0.35
Refrigeration Servicing (non-LVC countries)	17,475	0.53
Solvent	27,372	0.57
<b>Sub-total Consumption</b>	<b>850,508</b>	<b>54.57</b>
HCFC Production	133,247	24.39
<b>Total</b>	<b>983,756</b>	<b>78.96</b>

\*Also includes values after 2014.

27. The cost-effectiveness for the climate impact for the consumption sector is US \$15.60 per CO<sub>2</sub>-equivalent tonne and US \$5.46 per CO<sub>2</sub>-equivalent tonne for the production sector. For the overall HCFC phase-out programme in the business plan, the cost-effectiveness is US \$12.46 per CO<sub>2</sub>-equivalent tonne.

### **HCFC production sector**

28. HCFC production sector activities amounting to US \$133.25 million are included in the business plan for 2011 to 2014. US \$56,500 is included in 2011 for project preparation activities in India and US \$290,250 is included in 2012 for project preparation activities in Argentina and India.

29. At its 60<sup>th</sup> Meeting, the Executive Committee established an allocation of US \$147 million for the production sector for the period 2010-2014 as per decision 60/5(j). Production sector activities for Argentina, China and India were pro-rated to stay within the allocation of the decision.

30. The World Bank indicated that the level of funding in its business plan could be supplemented by additional funding after 2014. Since the level of production phase-out that can be achieved will not be



known until 2015 or 2016, the Secretariat is proposing to adjust the business plan to include the balance of the allocation established in decision 60/5(j) to the year 2015 amounting to US \$13.8 million.

### HCFC demonstration projects

31. At its 60<sup>th</sup> Meeting, the Executive Committee decided to remove from the business plans activities for HCFC demonstration projects to be submitted after 2010 (decision 60/5(m)). A total of US \$6.08 million is included in the business plans for activities that will phase out 35.5 ODP tonnes in two countries (table 6).

Table 6

### HCFC DEMONSTRATION PROJECTS

Country	Agency	HCFC	Title	Value (\$000) in 2011	ODP in 2011	Approved Project Preparation
China	Japan	HCFC-141b	Demonstration project for conversion from HCFC-141b based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	210	7.6	Yes
China	Japan	HCFC-22/ HCFC-142b	Demonstration project for conversion from HCFC-22 to butane blowing technology in the manufacture of extruded polystyrene foam at Shanghai Xinzhao Plastic Enterprises Co. Ltd.	1,000	7.0	Yes
China	Japan	HCFC-22	Pilot project on HCFC management and phase-out in the refrigeration servicing sector	204	2.5	No
China	UNDP	HCFC-22	HCFC Demo (XPS Foam Sector - Feiningen)	1,973	12.3	Yes
China	UNDP	HCFC-141b	HCFC Demo (Solvents Sector - Zhejiang Kindly Medical)	352	3.1	Yes
China	UNEP	HCFC-22	Pilot project on HCFC management and phase-out in the refrigeration servicing sector	700	N/P	No
China	UNIDO	HCFC-22/ HCFC-142b	XPS demo project with butane technology	806	3.0	Yes
Nigeria	Japan	HCFC-22	Demonstration project to validate the trans-critical CO <sub>2</sub> refrigeration technology for application to ice-block makers at Austin Laz	830	N/P	Yes
<b>Total</b>				<b>6,076</b>	<b>35.5</b>	

### HPMP/HCFC project preparation

32. The total level of funding for project preparation for HPMPs (US \$169,375) and HPMP associated investment projects (US \$431,650) is US \$601,025. Implementing agencies have proposed amounts in their business plans that exceed by US \$33,900 the maximum level allowed for project preparation for HPMPs, HCFC demonstration projects, and HCFC investment projects pursuant to decisions 55/13 and 56/16. The Secretariat's proposed adjustments would reduce the level of funding as per these decisions.

### HCFC servicing sector for LVC countries

33. The total level of funding for projects for the HCFC servicing sector in LVC countries is US \$20.31 million representing the phase-out of 157.7 ODP tonnes for the period 2011 to 2014.

34. At its 60<sup>th</sup> Meeting, the Executive Committee established values for HPMPs for activities to comply with the 2015 and 2020 control measures according to projected baselines. At its 62<sup>nd</sup> Meeting, the Executive Committee agreed to base a 100 per cent phase-out on a pro rata share of the 2020 funding level to meet the 35 per cent reduction (decision 62/10). The Secretariat's proposed adjustments would limit the funding levels to the maximum allowable level provided for LVC countries in line with

decision 60/44(f)(xii) for the HCFC servicing sector, according to the reduction from the baseline. This would increase the total level of funding for these projects by US \$888,618.

### **HCFC servicing sector for non-LVC countries**

35. The total level of funding for projects for the refrigeration servicing sector in non-LVC countries is US \$16 million representing the phase-out of 158.4 ODP tonnes for the period 2011 to 2014. Decision 60/44(f)(xv) establishes a threshold of US \$4.50/metric kilogram (metric kg). The Secretariat's proposed adjustments would limit the funding levels to the maximum allowable level for the refrigeration servicing sector in non-LVC countries as per this decision and reduce the total level of funding for these projects by US \$795,540.

### **HPMPs for non-LVC countries**

36. The total level of funding for HPMPs in non-LVC countries is US \$51.43 million representing the phase-out of 354 ODP tonnes for the period 2011 to 2014. There is no adjustment to this category since it can contain a mixture of servicing and manufacturing sectors.

### **Foam general**

37. The total level of funding for projects for the foam sector is US \$183.03 million representing the phase-out of 2,164 ODP tonnes for the period 2011 to 2014. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$6.92/metric kg for the foam sector. The Secretariat's proposed adjustments would limit the funding levels to the maximum of the agreed cost-effectiveness threshold and reduce the total level of funding for these projects by US \$6.78 million.

### **Extruded polystyrene (XPS) foam**

38. The total level of funding for projects for XPS foam is US \$106.63 million representing the phase-out of 568.1 ODP tonnes. Under decision 62/12(c) the Executive Committee decided to consider projects for the phase-out of HCFC-22/HCFC-142b used in the manufacture of XPS foam when it was clearly demonstrated that they would be required by national circumstances and priorities to comply with the 2013 and 2015 control measures, and to consider all other XPS foam projects after 2014. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$6.92/metric kg for the foam sector. The Secretariat's proposed adjustments would limit the funding levels to the maximum of the agreed cost-effectiveness threshold and reduce the total level of funding for these projects by US \$58.11 million.

### **Rigid foam**

39. The total level of funding for projects in the rigid foam sector, including rigid insulation refrigeration sub-sector, is US \$25.61 million representing the phase-out 297 ODP tonnes for the period 2011 to 2014. Decision 62/13 establishes a threshold of US \$7.83/kg with a maximum of up to 25 per cent above this threshold for low-global warming alternatives. The Secretariat's proposed adjustments would limit the funding levels to the maximum allowable level for the rigid foam sector as per this decision and reduce the total level of funding for these projects by US \$38,544.

### **Refrigeration general**

40. The total level of funding for projects for the refrigeration sector is US \$267.9 million representing the phase-out of 1,054.6 ODP tonnes for the period 2011 to 2014. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$10.65/metric kg for the refrigeration sector. The Secretariat's proposed adjustments would limit the funding levels to

the maximum of the agreed cost-effectiveness threshold and reduce the total level of funding for these projects by US \$17 million.

### **Aerosol**

41. The total level of funding for projects for HCFCs in the aerosol sector is US \$645,000 representing the phase-out of 9.7 ODP tonnes for the period 2011 to 2014 with a cost-effectiveness of US \$5.50/metric kg. The aerosol sector is to be addressed on a case-by-case basis as per decision 60/44(f)(xvi).

### **Solvent**

42. The total level of funding for projects for HCFCs in the solvent sector is US \$26.3 million representing the phase-out of 83.4 ODP tonnes for the period 2011 to 2014 with a cost-effectiveness of US \$32.60/metric kg. The solvent sector is to be addressed on a case-by-case basis as per decision 60/44(f)(xvi).

### **Pacific Island Countries (PIC) HPMP regional project**

43. The 2011 business plan includes one regional HPMP project for PIC amounting to US \$133,000. The overall PIC programme covers a regional component and individual country allocations.

### **HCFC Technical Assistance Project**

44. The 2011 business plan includes one global project for information, communication and education activities in the development and implementation of a knowledge portal for HCFC phase-out and HPMP implementation amounting to US \$100,000. The Executive Committee has already funded project preparation for HPMPs and has assigned implementing agencies agency fees to implement them. Moreover, the CAP is responsible for providing information, communication and education activities with respect to HCFCs. The Executive Committee may wish to consider whether to remove the global project for information, communication and education activities in the development and implementation of a knowledge portal for HCFC phase-out and HPMP implementation.

## **SECTION V: IMPACT OF ADJUSTMENTS BASED ON EXISTING EXECUTIVE COMMITTEE DECISIONS ON BUSINESS PLANS AS SUBMITTED**

45. The value of the business plan (US \$283.1 million) is below the remaining budget for the current triennium by US \$4.6 million. However, the business plan value for 2011-2014 (assuming the same level of funding for the 2012-2014 triennium as for the 2009-2011 triennium) exceeds the budget by a total of about US \$230.9 million.

46. After making the adjustments proposed above, the total value of the 2011-2014 business plan is US \$925.44 million, which exceeds the expected budget of US \$777.7 million for the same period by US \$147.74 million as shown in Table 7.

Table 7

**RESOURCE ALLOCATION IN BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE, AS ADJUSTED BY EXISTING EXECUTIVE COMMITTEE DECISIONS (2011-2014) (US \$000s)**

Required/Not required by model	2011	2012	2013	2014	Total (2011 to 2014)	Total (2015 to 2020)	Total After 2020
Required for compliance (MYAs and standard costs)	40,923	36,027	39,263	33,470	149,682	4,998	509
Required for compliance (HCFCs)	207,476	205,072	205,399	138,148	756,095	135,538	120
Not required for compliance (Resource mobilization)	1,451	0	0	0	1,451	0	0
Not required for compliance (ODS disposal)	9,590	8,291	0	0	17,881	0	0
Not required for compliance (Illegal trade, MB workshops)	241	91	0	0	332	0	0
<b>Grand total</b>	<b>259,681</b>	<b>249,481</b>	<b>244,661</b>	<b>171,617</b>	<b>925,440</b>	<b>140,536</b>	<b>628</b>
Annual budgets and projected budgets*	287,696	163,333	163,333	163,333	777,696		
<b>Difference</b>	<b>-28,015</b>	<b>86,148</b>	<b>81,328</b>	<b>8,284</b>	<b>147,744</b>		

\* Assumed budget at same level of current replenishment.

47. As noted in the document on the availability of cash flow for the 2011 budget (UNEP/OzL.Pro/ExCom/63/5), the Executive Committee has approved 79 per cent of the value of the business plan for the period 2003-2009. If this trend continues, the Committee would be likely to approve a level of about US \$194.3 million below the total value as submitted for 2011 to 2014 in the business plan, which would more than account for over budgeting by US \$147.7 million.

48. Table 8 shows the impact of the adjustments by agency.

Table 8

**RESOURCE ALLOCATION IN BUSINESS PLANS SUBMITTED TO THE EXECUTIVE COMMITTEE, AS ADJUSTED BY EXISTING EXECUTIVE COMMITTEE DECISIONS (2011-2014) BY AGENCY (US \$000s)**

Agency	2011	2012	2013	2014	Total (2011 to 2014)	Total (2015 to 2020)	Total After 2020
Australia	300	0	0	0	300	0	0
Czech Republic (the)	91	91	0	0	182	0	0
Germany	8,304	10,670	2,281	487	21,742	1,486	0
IBRD	53,741	86,785	102,675	70,087	313,287	13,691	0
Italy	1,098	68	0	79	1,245	141	0
Japan	3,273	2,600	0	0	5,873	0	0
Spain	0	893	0	0	893	0	0
UNDP	81,136	63,136	58,498	42,145	244,915	46,444	37
UNEP	28,844	15,360	24,408	15,167	83,780	9,682	591
UNIDO	76,060	62,921	49,714	36,436	225,131	69,091	0
<b>Grand Total</b>	<b>252,847</b>	<b>242,523</b>	<b>237,577</b>	<b>164,401</b>	<b>897,348</b>	<b>140,536</b>	<b>628</b>

49. If the Executive Committee would wish to reduce the business plan values to correspond to the value of the budget for 2011-2014, the Committee might wish to reduce the cost-effectiveness estimates for HCFC manufacturing activities or prioritize the phase-out, first, of those HCFCs with higher ozone-depleting potential, taking into account national circumstances as per decision XIX/6 paragraph 11(a).

## **SECTION VI: PERFORMANCE INDICATORS**

50. Decision 41/93 established the current set of performance indicators for implementing agencies. Implementing agencies provided targets for these performance indicators in their business plans. All implementing agencies have indicated in their business plans their planned efforts to assist countries to comply with the Montreal Protocol's control measures. UNEP included in its business plan expected missions to Article 5 countries and its special CAP services to assist countries with compliance needs. It also showed the extent to which its activities support those of other agencies.

51. Annex II presents information on historic performance indicators as requested in decision 42/5. The remainder of Annex II addresses investment and non-investment project indicators (2001-2005) and performance indicators that are unique to UNEP.

52. During and after the Inter-agency coordination meeting, the Fund Secretariat provided the implementing agencies with modified versions of their initial business plans based on existing Executive Committee decisions. During the Inter-agency coordination meeting, the rationale for implementing the decisions of the Executive Committee was discussed. However, implementing agencies have not modified their business plans as per those decisions. In the past, the Secretariat has modified performance indicators after receiving the submissions to correspond to new Executive Committee decisions. The Secretariat would recommend continuing this practice at this meeting; however, the Secretariat is suggesting that performance indicators should not be modified based on submissions that did not incorporate previous Executive Committee decisions. The Executive Committee may wish to decide whether to allow the modification of performance indicators based on data in business plans as submitted only if new Executive Committee decisions are applied to adjust submitted business plans.

## **SECTION VII: OTHER POLICY ISSUES**

### **Endorsement of consolidated business plan and notation of agency business plans**

53. Traditionally, the consolidated business plan has been noted while implementing agency business plans have been endorsed with several caveats. The Executive Committee has often had to take decisions to modify the business plans of the bilateral and implementing agencies while in fact the Executive Committee was essentially developing an overall business plan for the Multilateral Fund based on the input of the implementing agencies. For this reason, the Secretariat is recommending that the consolidated business plan is endorsed with the traditional caveats and the business plans of the implementing agencies are noted.

### **Distribution of annual tranches of HPMPs**

54. Table 9 shows the extent to which planned HPMP activities would result in commitments beyond the 2011-2014 business planning period.

Table 9

**HPMP ACTIVITIES AFTER 2014 AS PER PROPOSED SECRETARIAT ADJUSTMENTS  
(US \$000)**

	2015	2016	2017	2018	2019	2020	After 2020
Approved	202	2,750	197	666	485	698	509
New planned activities	82,424	34,394	732	1,383	1,811	1,040	120
<b>Total</b>	<b>82,626</b>	<b>37,144</b>	<b>929</b>	<b>2,049</b>	<b>2,296</b>	<b>1,738</b>	<b>629</b>

55. It should be recalled that resources from pledged contributions to the Multilateral Fund are due on an annual basis. For this reason, the funding tranches of HPMPs should ideally be distributed equally. However, as shown in Table 9 above, neither the approved funding nor planned new activities have annual tranches distributed equally, in some cases due to planned funding requirements. This could result in a lack of resources to meet demand if not monitored closely. The Executive Committee may wish to monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet commitments.

**Stage II funding of HPMPs**

56. The HCFC guidelines foresaw stage I as addressing at least the 2013 freeze and the 10 per cent reduction required by 2015 but many approved activities have exceeded the 10 per cent reduction with several LVC countries opting for a 2020 reduction of 35 per cent. On this basis, stage II is likely to be funded after the completion of stage I. Table 10 presents the last year of the funding requests for stage I HPMPs in the business plan.

Table 10

**LAST YEAR OF FUNDING REQUESTED FOR HPMPs IN THE BUSINESS PLAN**

Status	2013	2014	2015	2016	2017	2019	2020	After 2020
LVC	4	14	5	1	1	35	39	3
Non-LVC	6	17	11	1		3	4	
<b>Total</b>	<b>10</b>	<b>31</b>	<b>16</b>	<b>2</b>	<b>1</b>	<b>38</b>	<b>43</b>	<b>3</b>

57. Table 10 shows that 103 countries would complete their stage I activities after 2014.

58. Implementing agencies have proposed HPMP activities in their business plans for the countries in Table 11 that have already received approved projects with tonnage amounting to more than 10 per cent of their estimated baseline/starting point.

Table 11

**POSSIBLE STAGE II ACTIVITIES IN THE BUSINESS PLAN FOR COUNTRIES THAT HAVE  
ALREADY RECEIVED FUNDING THAT ADDRESSES AT LEAST A 10 PER CENT  
REDUCTION FROM ESTIMATED BASELINES/STARTING POINTS**

Country	Estimated Baseline/Starting Point (ODP tonnes)	HCFC Tonnage Approved to- date (ODP tonnes)	Percentage of Estimated Baseline/Starting Point (ODP tonnes)	Tonnage in the Business Plan (ODP tonnes)	Value in Adjusted Business Plan (US\$000)
Argentina	356.9	53.5	15.0%	6.1	574
Bangladesh	72.9	20.2	27.7%	6.4	1,248
Egypt	420.4	63.9	15.2%	61.4	3,372
Jordan	73.7	8.1	11.0%	33.0	6,166
Morocco	68.0	11.0	16.2%	2.2	177
Philippines (the)	202.4	40.0	19.8%	4.6	1,209
Saudi Arabia	1,464.1	179.4	12.3%	64.6	8,019
Sudan (the)	50.6	11.9	23.5%	2.5	218
Turkey	640.8	293.7	45.8%	56.2	10,900
<b>Total</b>	<b>3,349.8</b>	<b>681.7</b>	<b>20.4%</b>	<b>237</b>	<b>31,883</b>

59. The Executive Committee may wish to confirm this definition and whether any possible stage II activities should be removed from the business plan.

60. Issues with respect to stage II funding in future business planning include: whether project preparation should be funded in the year prior to the end of stage I, and whether the value of stage II funding should be included in future business plans starting with the 2012-2014 business plan assuming existing guidelines. No stage II project preparation was included in the business plans as submitted. The Executive Committee may wish to opine on these matters to provide guidance for future business plans.

#### **Duration for the next business plan**

61. For the last two years, the Executive Committee has extended the traditional three-year business plan timeframe to five years in the case of the 2010-2014 adjusted business plan and to four years for the 2011-2014 business plan. The rationale for the extension was the fact that most of the funding was intended for HPMPs, which were foreseen as multi-year funding agreements that would extend at least to 2014 to meet the 2015 reduction targets. However, as noted above, actual approvals and planned activities for stage I HPMPs extend beyond 2014 and the issue of funding distributions is also relevant to the planning period. The funding level for the 2012-2014 triennium will be based on the replenishment decision to be taken by the Parties at the end of 2011. The Executive Committee may wish to consider the duration of the next business plan period in the light of the above.

#### **Overlap: Change of implementing agency after project preparation funding**

62. Both UNDP and UNIDO have included funding for the HPMP in the Gambia. UNDP included funding since it had received project preparation money; however, UNIDO has received an official request for it to implement the HPMP. UNIDO has not included project preparation for the Gambia in its business plan. Any additional project preparation would constitute double-counting. Depending upon the extent to which UNDP has already expended funds on project preparation, UNIDO would not have full access to preparatory funds without additional funding from the Executive Committee. The Executive Committee may wish to remove the UNDP HPMP activities from UNDP's business plan as requested by the Government of the Gambia, and agree that any project preparation activity funding should be

deducted from the funding eligibility for the HPMP if a country chooses to assign an implementing agency different from the one originally approved to conduct the HPMP.

### Tonnage distribution by agency in approved HPMPs

63. Table 12 presents a list of those HPMPs approved to-date, the tonnage approved in the agreement, and the participating implementing agencies.

Table 12

#### HPMPs APPROVED TO-DATE BY TONNAGE AND IMPLEMENTING AGENCY

Country	Agency	Tonnage Approved under Agreement (ODP Tonnes)	Tonnage Approved in Previous Investment Project (ODP Tonnes)
Armenia	UNDP/UNEP	2.23	
Belize	UNDP/UNEP	1.0	
Burkina Faso	UNEP/UNIDO	9.7	
Cambodia	UNDP/UNEP	13.8	
Chad	UNEP/UNIDO	9.5	
Colombia	UNDP/UNEP	22.89	56.02
Croatia	Italy/UNIDO	4.3	3.7
Dominica	UNEP	0.1	
Gabon	UNEP/UNIDO	10.4	
Ghana	UNDP/Italy	17.3	
Grenada	UNEP	0.3	
Madagascar	UNEP/UNIDO	6	
Malawi	UNEP/UNIDO	3.1	
Maldives	UNDP/UNEP	3.7	
Nigeria	UNDP/UNIDO	90.1	
Pakistan	UNIDO/UNEP	7.4	71.7
Serbia	UNIDO/UNEP	3.3	
Sri Lanka	UNDP/UNEP	4.9	
The Former Yugoslav Republic of Macedonia	UNIDO	To 65% of HCFC-22 Baseline	
Togo	UNEP/UNIDO	7	
Turkmenistan	UNIDO	2.6	

64. The agreements with the Executive Committee did not specify the tonnage by agency although this information is needed for accounting purposes. The Executive Committee may wish to decide to request the implementing agencies to agree on a distribution of the tonnage by agency and year. The lead agency should propose the distribution to the relevant countries with approved HPMPs, and report to the 64<sup>th</sup> Meeting on the agreement.

### SECTION VIII: RECOMMENDATIONS

65. The Executive Committee may wish to:

- (a) Endorse the Consolidated 2011-2014 Business Plan of the Multilateral Fund as adjusted by the Secretariat contained in UNEP/OzL.Pro/ExCom/63/7, while noting that endorsement denotes neither approval of the projects identified therein nor their funding or tonnage levels, and the endorsement is with any modifications based on consideration of whether:



- (i) Any further modifications are warranted to reduce the business plan levels to the planned budget for the 2011-2014 business plan period;
  - (ii) To remove the global project for information, communication and education activities in the development and implementation of a knowledge portal for HCFC phase-out and HCFC phase-out management plan (HPMP) implementation.
  - (iii) To maintain possible stage II activities in the business plan for those countries that have already received funding to phase out more than 10 per cent of their estimated baseline/starting point;
- (b) Maintain current levels of funding for institutional strengthening for business planning purposes until such time as a decision is taken on the actual levels;
  - (c) Set a window for ODS destruction for low-volume-consuming (LVC) countries pursuant to decision XXI/2 amounting to US \$5.633 million in 2010 and 2011 that would result in the destruction of 308.8 ODP tonnes;
  - (d) Allow the modification of performance indicators based on data in business plans, as submitted, only if new Executive Committee decisions are applied to adjust submitted business plans;
  - (e) Monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet those commitments;
  - (f) Determine that stage II HPMPs should begin upon the completion of stage I HPMPs;
  - (g) Consider whether:
    - (i) Project preparation should be funded for stage II activities the year prior to the completion of stage I;
    - (ii) The value of stage II HPMPs should be included in future business plans assuming existing HCFC cost guidelines;
    - (iii) The duration of the next business plan should be only for the next triennium 2012-2014, or longer to accommodate planned future funding requirements;
  - (h) Remove the UNDP HPMP activities for the Gambia from UNDP's business plan as requested by the Government of the Gambia;
  - (i) Agree that any project preparation activity funding should be deducted from the funding eligibility for the HPMP if a country chooses to assign another implementing agency, different from the one originally approved to conduct the HPMP; and
  - (j) Request the bilateral and implementing agencies to agree on a distribution of the tonnage for HPMPs followed by agreement with the relevant countries and report to the 64<sup>th</sup> Meeting on the agreement.

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## **Annex II**

### **HISTORICAL PERFORMANCE INDICATORS**

This annex presents the following tables:

- a) Proposed 2011, and Actual 2010, 2009, 2008 and 2007 Business Plan Performance Indicators. 2006 data will be available upon request;
- b) Quantitative Performance Indicators (2004 and 2005);
- c) Investment Project Performance Indicators (2001-2005);
- d) Non-investment Project Performance Indicators (2001-2005); and
- e) Proposed 2011, and Actual 2010, 2009, 2008 and 2007 Performance Indicators for UNEP's Compliance Assistance Programme (CAP). 2006 data will be available upon request.

**A: PROPOSED 2011 AND ACTUAL 2010, 2009, 2008 AND 2007 BUSINESS PLAN PERFORMANCE INDICATORS BY AGENCY**

Item	UNDP 2007	UNDP 2008	UNDP 2009	UNDP 2010	UNDP 2011	UNEP 2007	UNEP 2008	UNEP 2009	UNEP 2010	UNEP 2011	UNIDO 2007	UNIDO 2008	UNIDO 2009	UNIDO 2010	UNIDO 2011	World Bank 2007	World Bank 2008	World Bank 2009	World Bank 2010	World Bank 2011
Number of annual programmes of multi-year agreements approved vs. those planned	45	39	40	49	41	35	35	56	105	65	32	30	28	25	40	19 <sup>1</sup>	21/21	14/14	8	7/7 <sup>2</sup>
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved vs. those planned	22	24	12	51	22	30	56 (excl. CAP)	88	88	70	22	55	20	36	7	4	6/6	7	3	3/3
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	27	36	10	7	9	20	51	26	23	20	19	26	13	6	18	21/21	14	5/5	2/2 <sup>3</sup>
ODS phased-out for individual projects vs. those planned per progress reports (ODP tonnes)	1,229	1,888	633	250.5	tbd	0	0	0	0	0	346.2	762.9	155.2	311.8	0	1,334	253	229	240.3	697 <sup>4</sup>

<sup>1</sup> Includes one annual programme of new multi-year projects expected to be approved by the Executive Committee in 2007.

<sup>2</sup> Following the recommendation of the Secretariat, subsectors under one HPMP are not counted separately, even if under different agencies.

<sup>3</sup> Another 8 multi-year agreements are under implementation and being supervised by the Bank for sustainable phase-out, for which funding is not requested.

<sup>4</sup> This figure is based on the 2009 progress report, following the Secretariat's recommendation. An update will be provided later in the year according to the 2010 progress report.

Item	UNDP 2007	UNDP 2008	UNDP 2009	UNDP 2010	UNDP 2011	UNEP 2007	UNEP 2008	UNEP 2009	UNEP 2010	UNEP 2011	UNIDO 2007	UNIDO 2008	UNIDO 2009	UNIDO 2010	UNIDO 2011	World Bank 2007	World Bank 2008	World Bank 2009	World Bank 2010	World Bank 2011
Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	60	61	98	87	tbd	86	86	86	33	33	20	19	13	14	7	10 <sup>5</sup>	8 <sup>6</sup>	6 <sup>7</sup>	5 <sup>8</sup>	5 <sup>9</sup>
Number of policy/regulatory assistance completed vs. that planned	4/6 (67%)	4/6 (67%)	1/1 (100%)	100%	tbd	64 countries <sup>10</sup>	64 countries	100% <sup>11</sup>	109 countries	100% <sup>12</sup>	11	9	N/A	N/A	N/A	9/9	12/12	100%	100%	100%
Speed of financial completion vs. that required per progress report completion dates	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	12 months after operational completion	12 months after operational completion	12 months after operational completion	12 months after operational completion	12 months after operational completion	11 months	11 months	11 months	11 months	11 months
Timely submission of project completion reports vs. those agreed	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	100%	100%	100%	100%	100%
Timely submission of progress reports and responses unless otherwise agreed	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	On time	100%	100%	100%	100%	100%

<sup>5</sup> Represents the number of projects expected to be completed in 2007, which will lead to an expected phase-out of 1,334 ODP tonnes.

<sup>6</sup> Represents the number of projects expected to be completed in 2008, which will lead to an expected phase-out of 253 ODP tonnes.

<sup>7</sup> Includes two investment projects, three institutional strengthening projects, and one technical assistance project.

<sup>8</sup> Includes one investment project, two institutional strengthening projects, and two technical assistance projects.

<sup>9</sup> This figure is based on the 2009 progress report, following the Secretariat's recommendation. An update will be provided later in the year according to the 2010 progress report.

<sup>10</sup> or 100% of countries listed in Annex I either received assistance or assistance was offered

<sup>11</sup> 100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered

<sup>12</sup> 100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered

**B: QUANTITATIVE PERFORMANCE INDICATORS (2004 and 2005)**

<b>Item</b>	<b>UNDP 2004</b>	<b>UNDP 2005</b>	<b>UNEP 2004</b>	<b>UNEP 2005</b>	<b>UNIDO 2004</b>	<b>UNIDO 2005</b>	<b>World Bank 2004</b>	<b>World Bank 2005</b>
Multi-year tranches approved	19	12	3	4	18	28	18	18
Individual projects/ activities approved	25	32	19	25	11	31	5	7
Milestone activities completed	12	15.5	N/a	3	14	17	15	19
ODS phased-out for individual projects in ODP tonnes	2,579	1,288	0	20	4,790.6	1,654	4,961	2,277
Project completion	97	42	8	24	84	28	40	44
Policy/ regulatory assistance completed	N/a	N/a	2	63	15	11	All targets in annual phase-out	N/a
Speed of financial completion	88 of 104 (85%)	174	19 of 34 (56%)	12 of 49 (24%)	9.3 months	8 months	12 months	9 months
Timely submission of project completion reports	97%	111	100%	On Time	100%	On Time	84%	On Time
Timely submission of progress reports	On Time	On Time	On Time	Not On Time	On Time	On Time	On Time	On Time

**C: INVESTMENT PROJECT PERFORMANCE INDICATORS (2001-2005)**

ITEM	UNDP 2005	UNDP 2004	UNDP 2003	UNDP 2002	UNDP 2001	UNIDO 2005	UNIDO 2004	UNIDO 2003	UNIDO 2002	UNIDO 2001	World Bank 2005	World Bank 2004	World Bank 2003	World Bank 2002	World Bank 2001
ODP phased out	1,663	6,200	5,871	4,582	5,997	1,544.64	5,545.52	6,096	2,890	2,480	N/A	21,812.59	17,395	16,139	6,340
Funds disbursed	26,601,892	\$31,240,209	\$24,483,520	\$29,320,118	\$33,358,056	31,840,094	31,963,576	\$28,773,312	\$28,747,215	\$27,671,558	N/A	55,729,832	\$65,083,377	\$56,531,824	\$40,175,452
Project completion reports	111	97%	106%	86.50%	86.16%	78	100%	625%	300%	100%	N/A	84%	84%	103%	74%
Distribution among countries*	14	28	18	18	22	23	18	14	19	24	N/A	12	11	11	10
Timely submission of progress report		N/a	On Time	On Time	N/a		N/a	On Time	On Time	N/a		N/a	On Time	On Time	N/a
Number of project completed in year of business plan		N/a	116	106	N/a		N/a	54	46	N/a		N/a	45	46	N/a
Value of projects approved*	\$26,123,608	\$24,422,808	\$29,290,743	\$37,661,853	\$40,533,068	55,170,547	36,878,656	\$23,624,603	\$32,884,334	\$28,436,163	US \$68 million (excluding Support Costs)	\$82,629,695	\$75,107,277	\$62,531,489	\$48,139,038
ODP to be phased out*	2,940	3,606.40	3,810	3,312.90	4,352	16,540.00	9,587	1,120	4,074	4,645.80	65,722.00	20,534	11,352	12,605.90	11,456
Cost of project preparation	1.44%	3.61%	1.60%	2.54%	1.10%	0.86	2.01%	3.64%	3.28%	2.73%	0.40	0.16%	0.64%	0.43%	1.26%
Cost-effectiveness	\$8.24	\$6.27	\$7.10	\$10.35	\$8.30	3.10	\$3.58	\$9.79	\$7.28	\$6.12	1.04	\$3.74	\$6.12	\$4.57	\$3.85
Speed of first disbursement	12.9 months	12.91 months	12.8 months	12.8 months	12.84 months	8.97 months	9.06 months	9.2 months	9.16 months	9.29 months	25 months	26.02 months	26 months	26.28 months	25.33 months
Speed of completion	32.9 months	32.41 months	32.4 months	32.7 months	33.6 months	32.98 months	32.35 months	31.7 months	30.89 months	29.85 months	40 months	40.88 months	41 months	41.35 months	40.09 months
Net emission due to delays	13,508	12,440	9,322	13,375	14,381	5,354.00	15,874	5,114	6,579.50	5,940	17,651.00	18,155	21,807	24,889	25,257

**D: NON-INVESTMENT PROJECT PERFORMANCE INDICATORS (2001-2005)**

AGENCY	UNDP 2005	UNDP 2004	UNDP 2003	UNDP 2002	UNDP 2001	UNEP 2005	UNEP 2004	UNEP 2003	UNEP 2002	UNEP 2001	UNIDO 2005	UNIDO 2004	UNIDO 2003	UNID O 2002	UNID O 2001	World Bank 2005	World Bank 2004	World Bank 2003	World Bank 2002	World Bank 2001
Number of Projects Completed			22	11	8			69% of approve d	66% of approve d	62% of approve d			16	13	3			5	2	1
Funds Disbursed (US\$)	3,224,34 3	2,488,37 4	3,693,81 6	2,167,50 8	1,684,70 2	10,855,43 3	54% of approve d	72% of approve d	68% of approve d	68% of approve d	1,387,90 5	1,353,86 1	1,201,98 3	775,24 4	461,38 5	1,221,96 4	813,59 9	2,246,33 7	546,53 3	281,715
Speed until first disburseme nt	11.5 months	11.44 months	11 months	11.4 months	10.5 months	8.41 months	8.49 months	7.6 months	7.3 months	6.87 months	8.95 months	9.34 months	9.4 months	9.85 months	9.15 months	14 months	14.58 month s	13.7 months	12.05 month s	11.95 months
Speed until project completion	35.4 months	35.36 months	35 months	34.7 months	35.1 months	32.44 months	31.8 months	31 months	30.4 months	29.66 months	31.93 months	33.89 months	33.7 months	33.84 months	33.66 months	32 months	30.39 month s	30 months	28.85 month s	29.24 months
Timely submission of progress report		N/a	On Time	On-time	N/a		N/a	On Time	On Time	N/a		N/a	On Time	On- time	N/a		N/a	On Time	On- time	N/a
Policies initiated from non- investment activities		N/a	6	28	8 countrie s		N/a	21 countrie s	11 countrie s	N/p		N/a	2 countrie s	7 countrie s	Policie s in 2- 4 countrie s		N/a	None	1 countr y	2 countrie s
Reduction in ODP from non- investment activities		N/a	0	1	125 tonnes		N/a	0	0	N/p		N/a	45	0	65 tonnes		N/a	86.9	0	0 tonnes



**E. PROPOSED 2011, AND ACTUAL 2010, 2009, 2008 AND 2007 PERFORMANCE INDICATORS FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME (CAP)**

<b>Performance Indicator</b>	<b>UNEP 2007 target</b>	<b>UNEP 2008 target</b>	<b>UNEP 2009 target</b>	<b>UNEP 2010 target</b>	<b>UNEP 2011 target</b>
Efficient follow-up to regional network/thematic meetings	100 % implementation rate	100 % implementation rate	90 % implementation rate	90 % implementation rate	90 % implementation rate
Effective support to NOUs in their work, particularly guidance to new National Ozone Units (NOUs)	7 such ways/means/products/services	7 such ways/means/products/services; All new NOUs receive capacity building support	7 such ways/means/products/services; All new NOUs receive capacity building support	7 such ways/means/products/services; All new NOUs receive capacity building support	<ul style="list-style-type: none"> <li>▪ 7 such ways/means/products/services;</li> <li>▪ All new NOUs receive capacity building support.</li> <li>▪ 10 additional countries submit CP reports using the Multilateral Fund Secretariat's online data reporting system</li> </ul>
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	All such countries	All such countries	All such countries	All such countries	All such countries
Innovations in production and delivery of global and regional information products and services	7 such products and services	7 such products and services	7 such products and services	7 such products and services	7 such products and services
Close cooperation between CAP regional teams and bilateral and multilateral implementing agencies working in the regions	5 in each region	5 in each region	5 in each region	5 in each region	5 in each region

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