



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/69/10
12 March 2013

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-ninth Meeting
Montreal, 15-19 April 2013

UNIDO BUSINESS PLAN FOR THE YEARS 2013-2015

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of UNIDO's planned activities for the phase-out of ozone-depleting substances (ODS) during the 2013-2015 planning period. It also contains UNIDO's business plan performance indicators and recommendations for consideration by the Executive Committee. UNIDO's 2013-2015 business plan narrative is attached to the present document.

2. Table 1 sets out, by year, the value of activities included in UNIDO's business plan according to categories "required for compliance" and "not required for compliance".

Table 1

RESOURCE ALLOCATION IN UNIDO'S BUSINESS PLAN AS SUBMITTED TO THE EXECUTIVE COMMITTEE (2013-2015) (US \$000s)

Required/Not required by model	2013	2014	2015	Total
Required for compliance				
Approved MYAs (including HPMPs) and Standard Costs	38,826	28,532	29,871	97,228
HPMP Stage I	2,485	3,565	818	6,868
HPMP Stage II	0	6,013	30,072	36,086
HPMP Preparation - Stage II	1,244	2,733	1,172	5,148
MB	75	321	0	396
Not required for compliance				
Disposal	1,020	0	0	1,020
HCFC High-Ambient Temperature TAS	428			428
MB	0	73	0	73
Grand Total	44,077	41,236	61,933	147,247

3. UNIDO has included activities valued at US \$44.1 million in 2013 and a total value of US \$147.2 million over the period 2013 to 2015.

Multi-year agreements (MYAs) and standard costs

4. Table 2 presents information on UNIDO's MYAs, institutional strengthening (IS), and core unit activities that are considered to be required for compliance under the business plan.

Table 2

REQUIRED FOR COMPLIANCE WITH MYAs AND STANDARD COSTS (2013 to 2015) (US \$000s)

Required by Model	2013	2014	2015	Total
Approved Multi-Year	35,840	25,499	26,856	88,195
Core Unit	2,012	2,027	2,041	6,080
IS	974	1,006	974	2,953
Total (required for compliance for MYAs and standard costs)	38,826	28,532	29,871	97,228

5. The value associated with MYAs for the period 2013 to 2015 consists of US \$84.4 million for HCFC activities, US \$1.9 million for methyl bromide (MB) activities and US \$1.9 million of MB production activities.

6. The funding levels for IS have been agreed until 2015 as per decision 61/43(b). At its 63rd meeting the Executive Committee decided to maintain current levels of funding for IS for business planning purposes until such time as a decision is taken on the actual levels (decision 63/5(b)). However, information has been included in the 2013-2015 business plans up to 2020.

7. Although funding levels for IS and the timing of the submission of those requests are known, UNIDO has included values for IS in its business plan that vary from those allowed under the current funding structure by US \$1.4 million for the period of 2013 to 2020 (including US \$55,872 for the period of 2013 to 2015), as well as requests in years for which they were not due. The Secretariat's proposed adjustments would modify the business plan of UNIDO according to when IS renewals are due based on the last approvals of the IS requests and the current funding structure.

8. No issues were raised with respect to core unit costs that are projected to increase at a rate of 0.7 per cent per year.

HCFC ACTIVITIES

Stage I of HCFC phase-out management plans (HPMPs) and preparation

9. UNIDO's business plan includes activities in four non-low-volume-consuming (LVC) countries for which stage I HPMPs have not yet been approved amounting to US \$4.5 million for the period of 2013 to 2015. The business plan also includes US \$103,255 for the period after 2015.

10. For non-LVC countries, the funding level for one activity exceeds the cost-effectiveness threshold for the refrigeration servicing sector. Decision 60/44(f)(xv) establishes a threshold of US \$4.50/metric kilogram (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 this project by US \$9,700, all for the period of 2013 to 2015.

11. Also, additional projects for three countries were included outside the Stage I HPMPs amounting to US \$2.4 million. These requests fall under different decisions that allow these countries to submit additional projects during the implementation of stage I. The Secretariat's proposed adjustments to one activity would limit the funding level to the maximum allowable for the refrigeration air-conditioning sector of US \$4.50/kg in non-LVC countries and reduce the total level of funding for these projects by US \$356,835, all for the period of 2013 to 2015.

Stage II HPMP/HCFC project preparation

12. At its 63rd meeting, the Executive Committee decided that project preparation could be funded for stage II activities and might be included prior to the completion of stage I in business plans for the years 2012-2014 (decision 63/5(f)(i)). The total level of funding for project preparation for stage II HPMPs is US \$5.1 million for the period of 2013 to 2015.

13. UNIDO has proposed amounts in its business plan that exceed by US \$1.9 million the maximum level allowed for project preparation for HPMPs and HCFC investment projects pursuant to decisions 55/13 and 56/16 for the period of 2013 to 2020 (including US \$223,738 for the period of 2013 to 2015). The Secretariat's proposed adjustments would reduce the level of funding in UNIDO's business

plan. The guidelines for stage I HPMP project preparation that were applied to stage II preparation requests were based on 2007 HCFC consumption and those guidelines have not been updated to replace 2007 HCFC consumption data with the established HCFC baselines.

Stage II HPMPs in LVC countries

14. UNIDO is the only agency that has included activities for 100 per cent reduction of the baseline; the Secretariat proposes to remove these activities since they are not in compliance with decision 62/10 despite the fact that these activities will start in 2019. Moreover, no other agency included funding for 100 per cent phase-out. This would decrease the total level of funding for such projects by US \$11.8 million for the period of 2016 to after 2020.

Stage II HCFC in non-LVC countries

Servicing sector

15. The total level of funding for projects for the refrigeration servicing sector in non-LVC countries is US \$6.6 million representing a reduction of 83.1 ODP tonnes for the period 2013 to 2015. Decision 60/44(f)(xv) establishes a threshold of US \$4.50/kg. The Secretariat's proposed adjustments would limit the funding levels to the maximum allowable of 35 per cent of the baseline 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 \$110.8 million for the period of 2013 to after 2020 (including US \$6.2 million for the period of 2013 to 2015).

Foam general

16. The total level of funding for projects for the foam sector is US \$3.6 million representing a reduction of 75 ODP tonnes for the period 2013 to 2015. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$6.92/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 \$3.6 million, all for the period of 2013 to 2015 to reach a 35 per cent reduction in the baseline.

Extruded polystyrene (XPS) foam

17. UNIDO's business plan does not include funding for XPS foam for the period of 2013 to 2015. However, the total level of funding for projects for XPS foam after 2015 is US \$128.4 million representing a reduction of 632 ODP tonnes. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$6.92/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 \$97.9 million for the period of 2016 to 2020 to reach a 35 per cent reduction in the baseline.

Rigid foam

18. The total level of funding for projects for the rigid foam sector, including the rigid insulation refrigeration sub-sector is US \$10.9 million representing a reduction of 156.8 ODP tonnes for the period 2013 to 2015. 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 potential alternatives. However, at the 66th meeting, the Executive Committee decided to adjust the business plans of the bilateral and implementing agencies by applying the cost-effectiveness threshold of US \$6.92/kg to all foam projects, including those in the rigid polyurethane foam sector (decision 66/5(a)(ii)). 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 \$21.1 million for the period of 2013 to 2020 (including US \$8.5 million for the period of 2013 to 2015) to reach a 35 per cent reduction in the baseline.

Refrigeration general (including manufacturing, assembly and transportation)

19. The total level of funding for projects for the refrigeration sector is US \$15 million representing a reduction of 129 ODP tonnes for the period 2013 to 2015. A combination of the replenishment study prepared in 2008 and decision 60/44(f) establishes a threshold of US \$10.65/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 \$51.2 million for the period of 2013 to 2020 (including US \$8.5 million for the period of 2013 to 2015) to reach a 35 per cent reduction in the baseline.

Refrigeration air-conditioning

20. UNIDO's business plan does not include funding for refrigeration air-conditioning for the period of 2013 to 2015. However, the total level of funding for projects after 2015 is US \$194.7 million representing a reduction of 1,018.7 ODP tonnes. The Secretariat's proposed adjustments would limit the funding levels to the maximum of the agreed cost-effectiveness threshold of US \$4.5/kg and reduces the total level of funding for these projects by US \$148.2 million for the period after 2015 to reach a 35 per cent reduction of the baseline.

Methyl Bromide

21. UNIDO's business plan includes US \$395,900 (including projects preparation of US \$53,500) for MB projects in two countries (Argentina and Sudan (the)) for the period of 2013 and 2014.

ACTIVITIES NOT REQUIRED FOR COMPLIANCE

ODS disposal

22. UNIDO's business plan includes US \$1.02 million for ODS demonstration projects that would result in the destruction of 107.2 ODP tonnes of ODS in 2013. Out of this total, US \$321,000 is for ODS destruction activities in LVC countries in 2013 that would result in the destruction of 43.2 ODP tonnes.

HCFC high-ambient temperature

23. The 2013 business plan also includes US \$428,000 for technical assistance projects for high-ambient temperature countries in the West Asia region. UNIDO will implement this project with the cooperation of UNEP. At the 66th meeting, the Executive Committee decided to maintain this project in the business plan for 2012, with adjusted funding of US \$250,000 for the entire project (decision 66/5(b)). The Secretariat's proposed adjustments would reduce the level of funding for this activity by US \$270,183. The Executive Committee may wish to consider whether activities not required for compliance should be removed, maintained, or maintained but re-phased to after 2013, in the business plans in the light of the budgetary limitations for activities required for compliance.

Methyl bromide

24. The business plan includes US \$73,276 for methyl bromide technical assistance projects in Ethiopia. Project preparation has been approved for Ethiopia at the 54th meeting. Ethiopia has no methyl bromide consumption since 2008. The Executive Committee may wish to consider whether activities not required for compliance should be removed, maintained, or maintained but re-phased to after 2013

pending resolution of outstanding requirements for compliance, in the business plans in the light of the budgetary limitations for activities required for compliance.

Impact of adjustments based on existing Executive Committee decisions on business plans as submitted

25. After making the adjustments proposed above, the total value of UNIDO's 2013-2015 business plan is US \$119.6 million as shown in Table 3.

Table 3

**RESOURCE ALLOCATION IN UNIDO'S BUSINESS PLAN SUBMITTED TO THE
EXECUTIVE COMMITTEE, AS ADJUSTED BY EXISTING
EXECUTIVE COMMITTEE DECISIONS
(2013-2015) (US \$000s)**

Required/Not required by model	2013	2014	2015	Total (2013-2015)	Total (2016-2020)	Total After 2020
Required for compliance						
Approved MYAs (including HPMPs) and Standard Costs	38,906	28,427	29,951	97,284	31,711	
HPMP Stage I	2,481	3,204	817	6,502	103	
HPMP Stage II		187	9,080	9,267	96,945	4,237
HPMP Preparation - Stage II	1,186	2,653	1,085	4,925	2,384	
MB	75	321		396		
Not required for compliance				0		
Disposal	1,020			1,020		
HCFC high-ambient temperature TAS	158			158		
MB		73		73		
Grand Total	43,825	34,865	40,932	119,623	131,144	4,237

Performance indicators

26. A summary of UNIDO's performance indicators pursuant to decisions 41/93, 47/51 and 49/4(d) is provided in Table 4.

Table 4

PERFORMANCE INDICATORS

Item	2013 Targets
Number of annual programmes of multi-year agreements approved versus those planned (new plus tranches of ongoing MYAs)	29
Number of individual projects/activities (investment and demonstration projects, TAS, institutional strengthening) approved versus those planned	11
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	26
ODS phased-out for individual projects versus those planned per progress reports	72.4
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	7
Number of policy/regulatory assistance completed versus that planned	N/A

Item	2013 Targets
Speed of financial completion versus that required per progress report completion dates	12 months after operational completion
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

27. As per the 2011 progress report, excluding MYA projects, the phase-out target should be 55.4 ODP tonnes. UNIDO's target for project completion should be 6 including 2 demonstration projects, 3 investment projects and 1 IS project, but excluding MYAs and project preparation.

Policy issues

28. UNIDO raised one policy issue in its business plan narrative, i.e., the need for demonstration projects on alternatives to methyl bromide for quarantine and pre-shipment (QPS) applications in seven selected countries. Since methyl bromide for QPS is not a controlled substance, the Fund Secretariat requested UNIDO to remove these from its business plan. The Executive Committee may wish to consider whether funding for demonstration projects on alternatives to methyl bromide for QPS applications might be added to UNIDO's business plan.

RECOMMENDATIONS

29. The Executive Committee may wish to consider:

- (a) Noting the 2013-2015 business plan of UNIDO as contained in document UNEP/OzL.Pro/ExCom/69/10;
- (b) Approving the performance indicators for UNIDO set out in Table 4 as contained in document UNEP/OzL.Pro/ExCom/69/10 while setting a target of 55.4 ODP tonnes for ODS phased out for individual projects and 6 for project completion; and
- (c) Whether funding for demonstration projects on alternatives to methyl bromide for quarantine and pre-shipment (QPS) applications might be added to UNIDO's business plan.

UNIDO
BUSINESS PLAN 2013



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

EXECUTIVE SUMMARY

The 2013 Business Plan of UNIDO together with the forecast for 2014 and 2015 represents the Rolling Business Plan of Montreal Protocol activities of the Organization. Funding estimates up to 2020 have also been provided. This provides useful information for Executive Committee members for the funding needs to reach the 2013, 2015 and 2020 control measures for HCFCs.

UNIDO's Business Plan was prepared based on the previous rolling business plan, taking into consideration the approvals and experience of previous years, the requests received from Article 5 countries, priorities established and the decisions taken by the Executive Committee, in particular Decision 60/44 and 60/5. It also reflects the discussions held in Montreal during the Inter-Agency Coordination Meeting on 30 January - 1 February 2013. It is also largely inspired from the historical decision of the 19th Meeting of the Parties agreeing on the acceleration of the phase-out of HCFCs, and the relevant ExCom decisions on HPMPs and HCFC investment and demonstration projects. The countries' needs have been calculated based on approved HPMPs and based on reported HCFC Baseline consumption.

In 2013, UNIDO will submit for approval by the Executive Committee forward commitments amounting to USD 35.8 million. New activities are focusing mainly on HCFC phase-out, ODS destruction demonstration projects and renewal of institutional strengthening projects with a total value of USD 7.0 million (including Core Unit Funding). Last but not least, USD 1.2 million is earmarked for the preparation of Stage II HPMPs in 2013. As listed in the business plan, about 88% (US\$ 38.7 million) of UNIDO's 2013 Business Plan is focusing on the phase out of HCFCs.

Decision 67/15 has maintained the administrative cost regime with the following modifications for the 2012-2014 triennium: For new projects with a value over USD 250,000 as well as for institutional strengthening and project preparation activities approved at the 67th Meeting of the Executive Committee and after are subject to 7% agency fee. Support cost for Agreements made before the 67th Meeting of the Executive Committee remained valid. Furthermore, for Core Unit Funding an annual increase of maximum 0.7% is allowed for the current triennium. For this reason and in line with the Fund Secretariat's recommendation, Core Unit Costs for the years 2013-2020 have been budgeted based on a maximum 0.7 % increase. Thus, **USD 2,012,442** has been allocated for the Core Unit for the year 2013.

The total amount foreseen in UNIDO's 2013 Business Plan, including forward commitments, new investment, non-investment activities, project preparation and funding of core unit is **USD 44.1 million** including support costs and with an impact of **811 ODP** tonnes.

USD 41.2 million worth of projects are earmarked for 2014 with an impact of 652 ODP tonnes, while for 2015 USD 61.9 million with an impact of 796 tonnes of ODP tonnes are forecasted.

A. MULTILATERAL FUND TARGETS

1. CONTEXT

UNIDO prepared its business plan for 2012 to 2014 based on ExCom decision 54/39, 60/5, 60/11, 60/44, 61/5 and 62/5 as well as the Government requests received from Article 5 countries. An inter-agency coordination meeting was held on 30 January-1 February 2013 in Montreal, Canada. Considering the draft business plans submitted by all implementing and bilateral agencies and the compliance-oriented model, the Secretariat identified the countries that are in need of assistance in order to comply with the various phase-out schedules, for which no activities were included in the business plans of implementing agencies and pointed out cases where a duplication of activities occurred among the various implementing agencies. Furthermore, during the coordination meeting, agencies were requested to include project preparation funding for Stage II HPMPs for all countries as well as funding estimates for potential Stage II activities.

The countries' needs have been calculated for most countries based on the actual HCFC baseline data as well as based on approved HPMP Agreements.

The Business Plan is also largely inspired from the historical decision of the 19th Meeting of the Parties agreeing on the acceleration of the phase-out of HCFCs, and the relevant ExCom decisions on HPMPs and HCFC investment and demonstration projects.

Activities related to production sector phase-out activities for Mexico and Venezuela were part of UNIDO's draft business plan, however, agencies were requested by The Fund Secretariat to remove HCFC production phase-out activities for swing plants, which are currently not eligible. It is to be highlighted that those few countries with HCFC production facilities may face difficulties in case no assistance is given to them for the production sector phase-out and a delayed decision on the subject can hinder synchronized production/consumption phase-out.

2. RESOURCE ALLOCATION

In 2013, UNIDO is planning to submit US\$ 44.1 million worth of projects, the majority of which is focused on phase-out of HCFCs.

HCFC phase-out activities form large part of UNIDO's 2013 Business Plan. Most HPMPs for non-LVCs include investment projects for the conversion of manufacturing enterprises to HCFC-free alternatives taking into consideration new technological developments to ensure sustainable conversion of HCFC-based manufacturing enterprises.

In line with the discussions held during the inter-agency coordination meeting in Montreal (early February 2013), funding requests for the preparation of Stage II HPMPs as well as funding estimates for Stage II HPMPs have been included in the 2013-2020 business plan. In general, it is estimated the project preparation funding should be approved 2 years before the last tranche of Stage I. However, there are exceptions, in particular in non-LVC countries with extended commitments, whereby no funding is scheduled between 2015 and 2017 or 2018. In such cases, project preparation is required 1 or 2 years before the penultimate tranche of Stage I. UNIDO made careful consideration of each country to ensure smooth implementation, without interruptions between Stage I and Stage II activities.

A joint UNIDO-UNEP project proposal is included in the 2013 Business Plan for the promotion of low GWP Refrigerants for Air-Conditioning sectors in high-ambient temperature countries. This project aims to facilitate the technology transfer and experience exchange of low-GWP alternatives for the air-conditioning sectors in high-ambient temperature countries, promote the decision making to move towards such alternatives, encourage the development of local/regional standards that ease the introduction of hazardous alternatives and ensure information sharing amongst concerned parties.

In addition, three ODS destruction demonstration projects for the Europe Region, Lebanon and Algeria will be submitted in 2013.

UNIDO will continue to provide assistance to countries to completely phase-out methyl bromide by 1 January 2015.

Furthermore, renewal of institutional strengthening projects form part of UNIDO's 2013-2015 Business Plan.

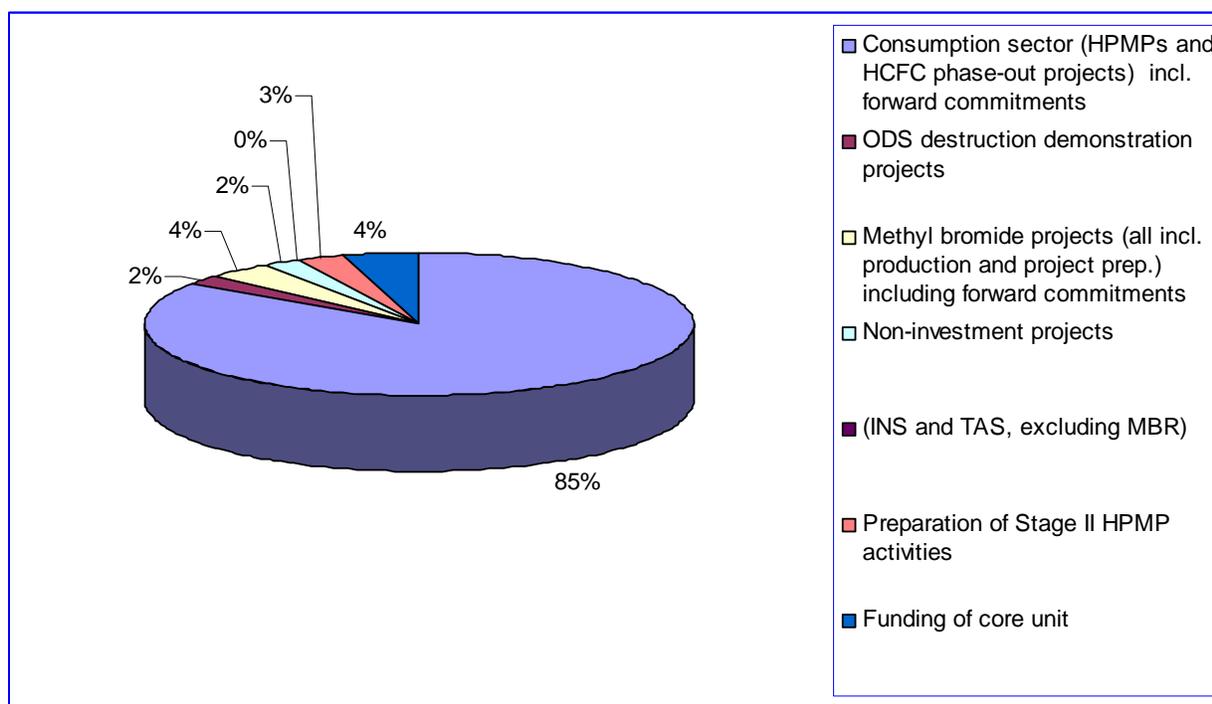
The total budget for 2013 for the above activities is US\$ 42,064,989 plus US\$ 2,012,442 core unit funding for UNIDO. Table 1 below summarizes the resource allocation of UNIDO's 2013 Business Plan. The details of UNIDO's 2013-2015 Business Plan are spelled out in the Business Plan Database.

Table 1. Resource allocation

Pos.	Type/sector	USD (incl. support cost)	Share of Business Plan allocation (%)
(a)	Consumption sector (HPMPs and HCFC phase-out projects) incl. forward commitments	37,161,358	84.3
(b)	ODS destruction demonstration projects	1,019,500	2.3
(c)	Methyl bromide projects (all incl. production and project prep.) including forward commitments	1,666,218	3.8
(d)	Non-investment projects (INS and TAS, excluding MBR)	973,826	2.2
(e)	Preparation of Stage II HPMP activities	1,244,086	2.8
(f)	Funding of core unit	2,012,442	4.6
	Total	44,077,430	100%

The details of the 2013-2015 rolling Business Plan are spelled out in the Business Plan Database.

Resource allocation as per Table 1



3. GENERAL OVERVIEW ON ASSISTANCE TO COUNTRIES IN NON-COMPLIANCE

Currently all countries presented in the business plan are in compliance with regard to their obligations towards the Montreal Protocol. Countries that were noted to be in non-compliance during prior meetings of the parties are now in compliance. However, several parties have not reported 2011 data. Following the recommendation of Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol, UNIDO will work closely with the countries and assist to report the required data to the Ozone Secretariat.

Additionally several parties are in the process of reviewing the previously reported consumptions. UNIDO will also continue to provide support to the countries for the collection and verification of required information for the revision of their baseline data on hydrochlorofluorocarbon consumption data

4. PROGRAMME EXPANSION

In the years 2013 to 2015 UNIDO aims to enhance its assistance to Article 5 countries by strengthening its project portfolio through the implementation of HCFC phase-out management plans and HCFC phase-out investment and demonstration projects.

The main objective of this Business Plan is to assist Article 5 countries in meeting their obligations under the Montreal Protocol, in particular the 2013 Freeze target and the 10% reduction target in 2015 for HCFCs as well as the complete phase-out of methyl bromide by 2015.

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

In 2013, UNIDO will continue to cover all regions (Latin America and the Caribbean, Africa, Asia and Pacific, Europe) with planned activities in various sectors and countries (including non-investment activities and project preparation).

The following section summarizes the activities contained in UNIDO's 2013 Business Plan sorted by region.

Africa

In Africa, funding requests for eight (8) countries, with a total value of USD 5,333,000 will be submitted in 2013. The main concentration will be in HPMPs, HCFC investment projects, as well as Preparatory Assistance Projects for HPMP Stage II. Also one Demonstration Project for ODS Destruction will be submitted. UNIDO is cooperating with UNEP on several HPMPs in African countries.

Asia

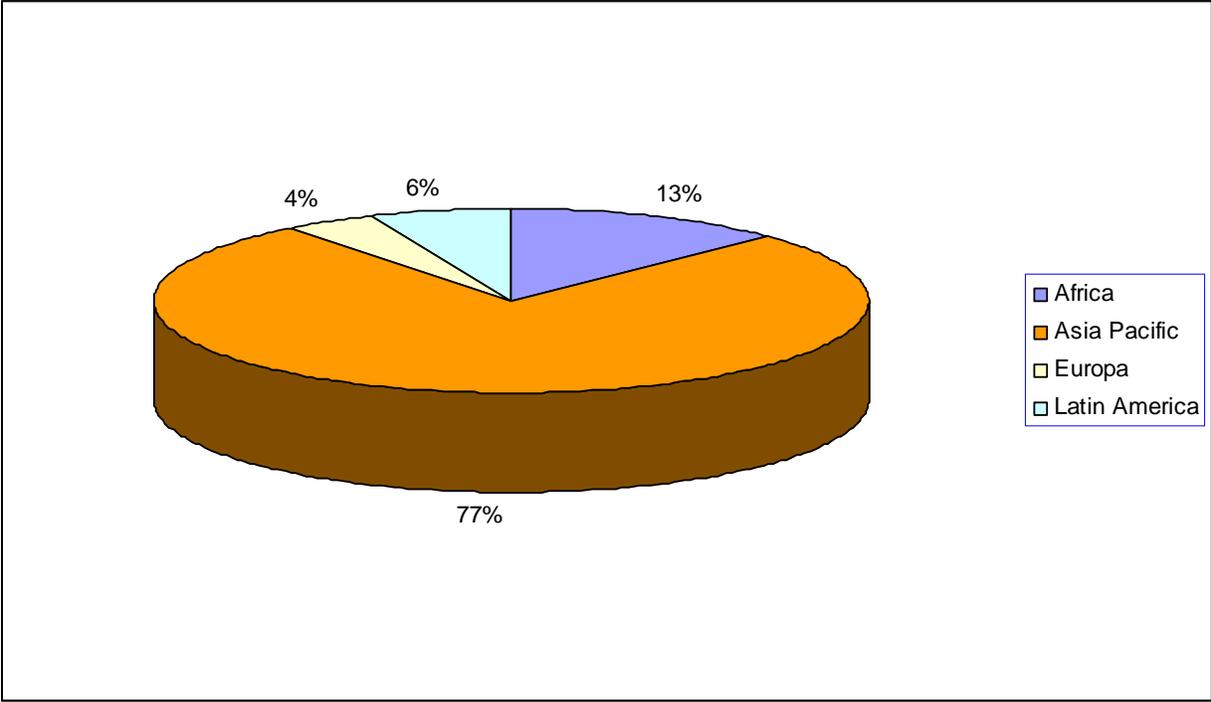
In Asia requests for funding for eleven (11) countries, and one (1) regional project with a value of USD 32,157,000 will be submitted in 2013. This represents about 77% of the total Business Plan for 2013. The main concentration will be in HPMPs, HCFC investment projects, as well as Preparatory Assistance Projects for HPMP Stage II. UNIDO will also submit technical assistance projects, institutional strengthening projects and ODS destruction demonstration projects.

Europe

In Europe, requests for nine (9) countries and one (1) regional, with a value of USD 1,870,000 will be submitted in 2013. The main focus will be in HPMP, HCFC Investment Project, and Preparatory Assistance for HPMP Stage II.

Latin America and the Caribbean

In Latin America and the Caribbean Region, requests for seven (7) countries, with a value of USD 2,681,000 will be submitted in 2013. The main concentration will be in HPMPs, HCFC investment projects, as well as Preparatory Assistance Projects for HPMP Stage II. UNIDO will submit one Institutional Strengthening project and two methyl bromide Investment Projects.



PERFORMANCE INDICATORS

The 47th ExCom Meeting has reviewed the weighting of the existing performance indicators. The new weightings, based on decision 47/51, are indicated in the below table.

Performance Indicator	Item	Weighting	Target 2013
Approval	Number of annual programmes of multi-year agreements approved	15	29
Approval	Number of individual projects/activities (investment projects, methyl bromide, halon banks, TAS) approved	10	11
Implementation	Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	20	26
Implementation	ODP phased out for individual projects	15	72.4
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects	10	7
Implementation	Policy/regulatory assistance completed	10	N/A
Administrative	Speed of financial completion	10	12 months after operational completion
Administrative	Timely submission of project completion reports	5	On time
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	On time

Based on Decision 49/4, the performance indicator on milestone activities for MYAs was changed as listed now in the above table.

POLICY ISSUE ON QPS APPLICATIONS

UNIDO's draft 2012-2014 Business Plan included requests for project preparation for the development of "Demonstration projects on Alternatives to Methyl Bromide for Quarantine and Pre-Shipment (QPS) applications in seven selected countries.

The requests were removed from UNIDO's final Business Plan, as requested by the MLF Secretariat during the IAs coordination meeting in 2012.

UNIDO has put forward these proposals to ensure long-lasting technical sustainability of phase-out projects and programmes. MBTOC assessed that the amount of MB used for QPS applications in 2010, for the first time, was higher than for controlled uses. MBTOC emphasized that the increased use of MB for QPS is offsetting the gains made by reductions in controlled uses. Furthermore, the MBTOC report indicates that 20-35% of present global QPS use can be replaced with alternatives available today and consideration to adoption of alternatives for the major QPS uses (timber, WPM, grain, logs) could be considered.

In this connection, some countries have started introducing measures for controlling QPS applications and promoting MB replacement. The USA, for example, has introduced control in QPS uses (import, export and domestic); promote, when possible alternatives that could replace MB use; and develop new treatments. The EU banned all uses of MB including QPS in 2010, including measures taken to stop MB usage by authorizing and promoting available alternatives.

On top of the above global consideration, UNIDO is reporting constrains and difficulties in almost all countries (in particular in those where MB consumption for post-harvest applications was big) to reach the complete phase-out of MB for controlled uses while MB for QPS is still authorized and granted. The closer is the date for the 100% phase-out for MB (i.e. 1st January 2015), the stronger these difficulties are.

The objective of the demonstration projects is to demonstrate the technical and economical feasibility of alternative methods for QPS treatment in selected countries from different regions (North or Central America, South America, Sub Saharan Africa, North Africa, East Asia, West Asia and East Europe). These demonstration projects would also include a deep assessment of MB consumption for QPS application in selected countries as well as a map of provenience /destination of treated goods. The project will also include revision of Quarantine policies of selected countries as well as policies of countries of destination/provenience of goods.

Goal of the demonstration projects is to provide an effective tool to governments on updating the national/regional legislations on quarantine (to be considered on a voluntary basis) in order to reduce the MB consumption without jeopardizing the international trade.

INITIATIVES TO ENSURE COMPLIANCE

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

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

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

- Regular follow up of the implementation process is being done by the staff of the ozone office together with UNIDO's national and international consultants and project managers. This ensures that effective actions on critical issues such as resolving bottlenecks in site preparation, customs clearance, installation, commissioning and safety certification, monitoring of CFC-related equipment are taken.
- UNIDO is frequently attending Regional Network Meetings and respective workshops providing additional support to our counterpart countries.
- Communication and interaction between regional and country offices about the implementation process has ensured the smooth flow of project plans. As in previous years, directors of UNIDO regional and country offices are regularly briefed at UNIDO HQs on ongoing and possible future activities. They are involved in the implementation process and are following up the progress of the programmes. In turn, the representatives brief headquarter staff working in a specific country on the regular activities in the field and problems faced, if any.
- UNIDO also provides, when requested, support such as policy assistance, putting in place relevant legislation etc. Additionally, UNIDO project managers are visiting the project site, if definitely required.
- Based on recommendation of the Implementation Committee, additional assistance will be offered to the countries with delays in reporting of its ozone-depleting substance data